FINANCE FUNDAMENTALS FOR START-UPS

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| Course code | *FIN 129* |
| Compulsory in the programmes | *Entrepreneurship and Innovation* |
| Level of studies | *Undergraduate* |
| Number of credits | *6 ECTS (48 contact hours + 6 consultation hours, 106 individual work hours)* |
| Course coordinator (title and name) | *Dr. Dmitrij Katkov*  *Assoc. Prof. Dr. Tom Hashimoto (Room 304)*  [*dmikat@ism.lt*](mailto:dmikat@ism.lt) */* [*tomhas@ism.lt*](mailto:tomhas@ism.lt) |
| Prerequisites | *None* |
| Language of instruction | *English* |

**THE AIM OF THE COURSE:**

The course objective is to introduce students to the main elements, methods, and principles of finance. It will provide basic knowledge and skills applicable to personal and managerial finance. Course starts with a general overview of finance, introduces to financial concepts, instruments, and techniques used in financial decision making. The first part of the course focuses on basic financial data, financial statements, cash flows, also main financial concepts as time value of money, risk and return, interest rates. The second part of the course deals with financial management.

**MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS**

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| --- | --- | --- | --- |
| Course level learning outcomes (objectives) | Degree level learning objectives (Number of LO) | Assessment methods | Teaching methods |
| CLO1. Explain financial system elements and their activities and functions via systemic approach | BLO1.1 BLO1.2 | Mid-term | Lectures, seminars |
| CLO2. Explain and analyse saving and investing, financial assets, interest rate concepts and their importance in financial market | BLO1.1 BLO1.2 | Mid-term, final exam, group works | Lectures, seminars |
| CLO3. Analyse goals of the firm and role of the financial manager in financial decision making | BLO1.1 BLO1.2 | Mid-term, final exam, group works | Lectures, seminars |
| CLO4. Prepare and explain financial statements: Balance sheet, Income statement, Cash flow statement. Evaluate proforma financial statements and budgets | BLO1.1 BLO1.2 | Mid-term, group works | Lectures, seminars |
| CLO5. Critically comment on financial activities of firms from ethical point of view | BLO2.1 | Final exam | Lectures, seminars |

**ACADEMIC HONESTY AND INTEGRITY**

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

**COURSE OUTLINE**

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| --- | --- | --- |
| **Topic** | **In-class hours** | **Readings** |
| 1. Introduction and overview of course   Defining Finance | 4 | Gitman, handouts |
| 1. Financial statements | 4 | Gitman, handouts |
| 1. Financial ratios | 4 | Gitman, handouts |
| 1. Financial statement analysis | 4 | Gitman, handouts |
| 1. Important financial concepts – time value of money, interest rate, risk and return | 4 | Gitman, handouts |
| 1. Time value: Simple and compound interest, nominal and effective interest, value of annuities | 4 | Gitman, handouts |
| **Mid-term** | 2 |  |
| 1. The art of banking | 4 | Valdez & Molyneux (Chs 2, 4, & 5) |
| 1. Securities markets | 4 | Valdez & Molyneux (Chs 7 & 8) |
| 1. Private equity and venture capital | 4 | Valdez & Molyneux (Ch 9) |
| 1. FOREX and EURO in post-crisis Europe | 4 | Valdez & Molyneux (Chs 11 & 12) |
| 1. Derivatives | 4 | Valdez & Molyneux (Chs 13, 14, & 15) |
| 1. FinTech Course overview | 2 | Handouts |
|  | **Total: 48 hours** |  |
| CONSULTATIONS | 6 |  |
| FINAL EXAM | 2 |  |

**FINAL GRADE COMPOSITION**

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| --- | --- |
| **Type of assignment** | **%** |
| *Group Components* |  |
| * Financial Analysis Project | 25 |
| *Individual Components* |  |
| * Mid-term examination | 35 |
| * Final examination | 40 |
| **Total:** | **100** |

**DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT**

**Examinations**

Midterm exam is closed book and counts towards 35% of the final grade. It consists of multiple-choice questions and problems from theory and exercises. Students should bring calculators and can have special tables for present and future value counting.

The final exam counts towards 40% of the final grade. It is written in-class, open-book, and in an essay format. It is designed to assist your critical thinking on the issues beyond the formal institutional arrangements.

**Group work**

There will be one formal group work during the course. Tasks (that will be given during the course) mustbe completed in a group up to 5 people (1-2 students do not make a group). Each group turns in a single copy of its work with the names of all contributing members listed. Coursework counts towards 25% of the final grade.

Additionally, an *oral exam* (‘viva voce’) is carried out when lecturer requires further explanations on the submitted assignments (e.g. exams, group works). The aim of the oral exam is to clarify what the students have written and how they understand the concepts/data in question.

**RETAKE POLICY**

The *retake* examination for the student who do not meet the passing score is normally scheduled 1-2 weeks after the announcement of the final grades. The retake examination covers the materials from the entire course, and it is worth 75% of the total grade (the remaining 25% comes from the group work).

**REQUIRED READINGS**

Gitman, L.J & Zutter, C.J.(2014). Principles of managerial finance.( 14 ed.) Boston, MA. Prentice Hall.

Valdez, S. & Molyneux, P. (2013) *An Introduction to Global Financial Markets*, 8th edition. Basingstoke: Palgrave Macmillan.

**ADDITIONAL READINGS**

Articles and lecture notes may be distributed during the class or via Intranet.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programmes:*

*International Business and Communication,*

*Business Management and Marketing, Finance,*

*Industrial Technology Management,*

*Entrepreneurship and Innovation*

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| --- | --- |
| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | BLO1.1. Students will be able to understand core concepts and methods in the business disciplines |
| BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions |
| Students will be socially responsible in their related discipline | BLO2.1. Students will be knowledgeable about ethics and social responsibility |
| Students will be technology agile | BLO3.1. Students will demonstrate proficiency in common business software packages |
| BLO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| BLO4.2. Students will be able to convey their ideas effectively through an oral presentation |
| BLO4.3. Students will be able to convey their ideas effectively in a written paper |

**Learning objectives for the Bachelor of Social Science**

*Programmes:*

*Economics and Data Analytics,*

*Economics and Politics*

|  |  |
| --- | --- |
| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines |
| ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements |
| Students will have skills to employ economic thought for the common good | ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving |
| Students will be technology agile | ELO3.1. Students will demonstrate proficiency in common business software packages |
| ELO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| ELO4.2. Students will be able to convey their ideas effectively through an oral presentation |
| ELO4.3. Students will be able to convey their ideas effectively in a written paper |