

Principles of Economic Theory and Financial Management

Course Outline

1. General

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| SCHOOL | School of Finance and Statistics | | |
| ACADEMIC UNIT | Department of Banking and Financial Management | | |
| LEVEL OF STUDIES | Postgraduate Program | | |
| COURSE CODE | MEXΔO101 | SEMESTER | 1st |
| COURSE TITLE | Principles of Economic Theory and Financial Management | | |
| INDEPENDENT TEACHING ACTIVITIES | | WEEKLY TEACHING HOURS | CREDITS |
| Lectures (Total Hours) | | 39 | 7,5 |
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| COURSE TYPE: | Compulsory/ Special Background / skills development | | |
| PREREQUIRE COURSES: | None | | |
| LANGUAGE OF INSTRUCTION and EXAMINATIONS: | Greek | | |
| IS THE COURSE OFFERED TO ERASMUS STUDENTS: | No | | |
| COURSE WEBSITE (URL) | https://bankfin.unipi.gr/mathimata/xddom-arxes-oikonomikis-theorias-kai-xrimatooikonomikis-dioikitikis | | |

2. Learning Outcomes

Learning Outcomes

The course material is divided into two sections, the principles of economic theory and financial management. The first section provides students with the necessary knowledge and skills to initially understand the process of making consumption and production decisions by economic agents with a view to maximizing welfare and business efficiency. This analysis will allow useful conclusions to be drawn using the equilibrium model between supply and demand. The concepts of Gross Domestic Product and the relationship between the quantity of money and inflation are then presented. In the second unit, students understand the function and objectives of financial management in a company. This material includes the understanding and implementation of the time value of money and its practical application in the evaluation of investment decision under the conditions of certainty of cash flows. Finally, this section focuses on understanding the valuation process of financial assets and the calculation of the weighted average cost of capital.

With the successful completion of the course, students will be sufficiently capable to:

- understand the decision-making process by consumers and producers
- analyze the changes in the supply and demand equilibrium conditions which determine the prices of products and services
- understand and analyze the conditions that shape different structures in product and service markets and determine business profitability and social welfare in terms of economic outcome
- recognize the components and how to measure the GDP of a country
- understand the phenomenon and measurement of inflation and its relationship with money supply and monetary policy
- analyze and evaluate the role and purpose of financial management in businesses and the nature of financial decisions made by businesses
- understand the concept of time value of money
- understand the investment decision-making process in modern businesses and make investment decisions by applying different investment appraisal techniques
- evaluate bonds and stocks and compare stock valuation results from different approaches
- calculate the weighted average cost of capital of the company based on its capital structure

General Competences

- Search for, analysis and synthesis of data and information, with the use of the necessary technology
- Analysis of capital market conditions and adaptation to new information.
- Decision making
- Working independently
- Team work
- Consulting activity
- Project planning and management
- Production of free, creative and inductive thinking

3. Syllabus

1. Preferences – Utility
2. Consumer Theory, choice and demand
3. Producer Theory, profit maximization, cost minimization and cost curves
4. Market structure, monopoly and forms of oligopoly
5. The National Income of a Country
6. Measuring the Cost of Living
7. Money and Inflation
8. The business and its environment, and the role of the financial manager
9. The Time Value of Money - Discounting and Present Value
10. Investment evaluation and investment decisions rules under conditions of certainty
11. Valuation of Bonds and Shares
12. Weighted Average Cost of Capital

4. Teaching and Learning Methods - Evaluation

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|---|---|--------------------------|
| DELIVERY | Face-to-face and distance learning | |
| USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY | <ul style="list-style-type: none"> • Using of PowerPoint slides • The slides-notes of the lectures are offered in electronic form to the students through an electronic platform (e-class) • Communication with students via email | |
| TEACHING METHODS | Activity | Semester Workload |
| | Lectures | 39 |
| | Independent Study | 148,5 |
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| | Course Total | 187,5 |
| STUDENT PERFORMANCE EVALUATION | <p>Written final exam (100%) including:</p> <ul style="list-style-type: none"> • Closed-ended questions • Essay Questions • Problem solving <p>The written exam lasts 3.0 hours. The individual assessment points are explicitly listed next to each question.</p> | |

5. Attached Bibliography

-Suggested Bibliography

- Ross S., Westerfield R., Jaffe J, Jordan B., *Corporate Finance, BrokenHill*, latest edition
- Brealey, R., Myers, S., Allen, F., *Principles of Corporate Finance, 3rd Edition*, Utopia
- Varian, "Intermediate Microeconomics: A Modern Approach", Kritiki Press
- Rubinstein, "Lecture Notes in Microeconomic Theory. The Economic Agent", Princeton University Press
- Gregory N. Mankiw and Mark P. Taylor, *Economics (3rd Edition)*, Part B, Tziola Press, Athensα 2017

-Related Academic Journals