

MODULE DESCRIPTION

Module title	Finance 1
Module code	OFIN
Study program	Finance and Accounting (BFA), Business Administration (BBA)

Module coordinator/Lecturer

Type	Lecturer	Email	Office	Office hours
Module Coordinator	Dr. Le Minh Hanh	hanh.lm@vgu.edu.vn	Cluster1 – R.506	9:00am – 4:00pm
Lecturer	Dr. Omer Cayirli	omer.cayirli@vgu.edu.vn	Cluster1 – R.522	9:00am – 4:00pm
Tutorial	None			
Other	None			

Classification ☒ Compulsory ☐ Semi-elective

Semester Summer Semester 2025

Student workload

Credits	5	ECTS
Teaching periods	45	AHs
Assignments and independent learning	105	AHs
Total Working hours	150	AHs

Frequency The module is offered in every summer semester.

Prerequisites **For students from the 2022 intake and beyond:** Students who have successfully completed or are exempted from the Foundation Year at VGU are eligible to register for this course.

Applicability for other modules *(This module is linked with other modules of the same program and in which way the module can be used in other modules)*

Intended learning outcomes The students are expected to acquire the basic understanding of financial tools necessary for the bachelor's degree. Specifically, the students should obtain the required knowledge and tools for addressing the following questions:

- ✓ How are riskless and risky cash flows valued?
- ✓ What are the investment decision rules and how is the capital budgeting process carried out?
- ✓ How to value bonds and stocks?
- ✓ What are the basics of portfolio theory? How to select optimal portfolios?
- ✓ How does modern portfolio theory relate to the Capital Asset Pricing Model (CAPM)? What are the implications of CAPM?
- ✓ What are the basics of derivative products, how are they valued, and how to use them?

Contents *(Outline of subject and topics explored)*

No.	Topic	Teaching hours	Assignments and independent learning hours
1	Financial Decision Making	3	6
2	Time, Money, and Interest Rates	6	15
3	Investment Decision Rules, and Capital Budgeting	9	21
4	Valuing Bonds and Stocks	9	21
5	Capital Markets and the Pricing of Risk	5	12
6	Optimal Portfolio Choice and the Capital Asset Pricing Model (CAPM)	5	12
7	Introduction to Forwards, Futures, and Options	8	18

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Learning activities This course will utilize lectures, exercises, quizzes, assignments, and self-study to attain the learning goals. Additionally, Python and Jupyter Notebook will be used to enhance learning activities for some of the topics. Since the lectures will adopt an interactive approach, students should spend sufficient time on assigned readings/tasks for each lecture before the class.

Activities	Explanation
Attendance	Attendance and active class participation are crucial for achieving the learning goals of this course. Additionally, students must comply with the University's attendance policy to earn credits toward their degree.
Individual Assignments	Yes
Quizzes	Yes
Group work	No
Online Activities	Yes
Self-study	Yes
Internship	No
Lab or Workshop	No
Field Work	No

Mode of assessment

The mode of assessment for this course is based on the portfolio approach. The portfolio consists of 1 (one) individual assignment, 2 (two) quizzes, and a final exam (75 minutes). Participation and contribution to the in-class discussions are important parts of the portfolio. No weights are assigned to individual parts of the portfolio. The final grade for this course will be based on the students' progress and overall performance.

Pass requirements:

A student is required to pass all assessment items to pass the course (competency and/or grade-based): **NO**

A student is required to attempt all assessment items to pass the course: **YES**

Retake exam

The portfolio approach will be applicable for the final grade in case a retake exam is needed/offered.

Module materials

Required text(s): (CF-B&D) Jonathan Berk and Peter DeMarzo, Corporate Finance, 5th Ed. (Global), 2020.

Recommended text(s): (RWJJ) S. Ross, R. Westerfield, J. Jaffe, and B. Jordan, Corporate Finance, 12th Edition, 2019.

Slides: Lecture materials will be available for access on the e-learning platform before each class (without exercises) and will be updated after each class (with exercises).

Written/updated by
Dr. Omer CAYIRLI
Date: 04 / 02 / 2025

Approved by

Date / /2025

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DETAILED COURSE SCHEDULE

Lecture 1 - Introduction

- General introduction to the course, a brief overview of contents, and learning goals.
- Financial Decision Making
- **Reading(s): CF-B&D: Ch. 3**

Lecture 2 – Time, Money, and Interest Rates

- The Time Value of Money
- Interest Rates
- **Reading(s): CF-B&D: Ch. 4 & 5**

Lecture 3 – Valuing Projects I

- Investment Decision Rules
- **Reading(s): CF-B&D: Ch. 7**

Lecture 4 – Valuing Projects II

- Fundamentals of capital budgeting
- **Reading(s): CF-B&D: Ch. 8.**

Lecture 5 – Valuing Bonds

- Bond pricing
- **Reading(s): CF-B&D: Ch. 6**

Lecture 6 – Valuing Stocks

- The Dividend-Discount Model
- Alternative equity valuation techniques
- **Reading(s): CF-B&D: Ch. 9.**

Tutorial Session 1

- Financial Decision Making
- Time, Money, and Interest Rates
- Valuing Projects
- Valuing Bonds
- Valuing Stocks

Lecture 7 – Risk and Return I

- Capital markets and the pricing of risk.
- Optimal Portfolio Choice
- **Reading(s): CF-B&D: Ch. 10. & Ch. 11.1-11.6**

Lecture 8 – Risk and Return II

- The Capital Asset Pricing Model (CAPM)
- Cost of capital.
- Investor Behavior and Capital Market Efficiency
- **Reading(s): CF-B&D: Ch. 11.7-11.8, Ch. 12 & Ch.13**

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Lecture 9 – Derivatives I

- Introduction to derivatives
- Futures & Forwards
- Introduction to options
- Option Payoffs
- **Reading(s):** RWJJ: Ch. 25, CF-B&D: Ch. 20, [Fourteen large commodity trading disasters: What happened and what can we learn?](#)

Lecture 10 – Derivatives II

- Put-Call Parity
- Factors Affecting Option Prices
- Futures & Forwards
- Binomial Option Pricing Model
- **Reading(s):** CF-B&D: Ch. 21

Tutorial Session 2

- Risk and Return
- Derivatives