



COURSE (MODULE) DESCRIPTION

Course title	Code
FUNDAMENTALS OF FINANCE	

Staff	Department
Coordinator: Prof. Dr Jelena Stankevičienė	Department of Finance, Faculty of Economics and Business Administration

Study cycle	Course type
First	Elective

Form of implementation	Period of implementation	Language of instruction
Classroom: lectures and seminars	Spring semester	English

Requirements for student	
Prerequisites: none	Additional requirements (if any): English language

Number of ECTS credits	Student's workload	Contact hours	Individual work
5	130	48	82

Purpose of the course and competences developed		
<p>Purpose of the course is to provide the theoretical knowledge and practical skills necessary for studying the basic concepts of finance, to develop students' abilities to understand the financial system and its changes, effectively identify and solve complex financial challenges.</p>		
Learning outcomes	Teaching methods	Assessment methods
<p>On completion of the course students will be able to:</p> <ul style="list-style-type: none"> - learn properly apply key models of financial theory; - search and analyse financial information independently; - analyse the participants of the financial system, the formation and use of their resources; - propose solutions to financial situations corresponding to the level of acquired knowledge and to discuss their advantages and disadvantages; - properly relate financial concepts and phenomena for decision making. 	<p>Lectures, discussions during seminars and lectures, review of practical examples, review and explication of the material; the analysis of problems during lectures and seminars, case study, and problem solving, doing exercises.</p>	<p>Test: closed-ended and/or open-ended assignments or questions.</p> <p>Presentation of the answers to the target case study.</p>

Course themes	Contact / Individual work: time and assignments								
	Lectures	Tutorials	Seminars	Practical classes	Laboratory work	Practice	Contact hours	Individual work	Assignments
An introduction to the course	2						2		
The essence of finance and its functions. The subject of financial science. Functions of finance. Description of financial theories. Finance and accounting.	2						2	2	Individual study of the summaries of lectures and supplementary material*; analysis of the assignments provided by the lecturer.

Time value of money. Interest rate. The future value of money. The present value. Recurring payment. The future value of an annuity. The present value of annuity.	2		2				4	8	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; discussion of the solution of exercises.
Risk. The concepts of risk and uncertainty. Types of risks. Risk and profitability. Risk measurement. Identification of risk and analysis.	2		2				4	8	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
The Financial System. The concepts of financial markets. Participants and functions of the financial system. Financial market concept.	4		2				6	12	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; case study.
The Financial Markets. Structure of financial markets: the debt market, the equity market, the foreign-exchange market, the mortgage market, and the derivative market.	4		2				6	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; case study.
Midterm exam	2							7	Preparation for midterm exam
Corporate finance. The basic principles of financial management. Financial decision. Cash flow and profit. The most common approaches to project selection. Financial statement analysis. Difference between a CFO and an accountant.	5		2				8	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; discussion of the solution of exercises.
Personal finance. Household financial behaviour. The life cycle asset allocation. Basic of personal finance management. Household income and expenditure. Household Budget.	5		2				8	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer, discussion of the solution of exercises.
Public Finance. Essence of public budget and its structure. Public budget and its principles. State and municipal Finance. Taxes and tax system.	4		2				6	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; case study.
Consultation			2				2	2	

Preparation for the final exam								0	6	Independent study of the summary of lectures and supplementary material
Total	32		16					48	85	

* Specific literature source (chapter, pages) is detailed in VMA for each lecture separately

Assessment strategy	Share in %	Time of assessment	Assessment criteria
Working with Bloomberg terminal	20 %	During the entire semester	20 % the final evaluation consists of the progress of the tasks in Bloomberg LAB. The assessment of the progress of completed tasks is multiplied by 0.2 and added to the final assessment.
Analysis of the selected topic and presentation of results	20%	During the course, a presentation at the end of the course	The analysis of the selected topic, interpretation of the results, their presentation, are evaluated. The analysis score is multiplied by 0.2 and added up to the final assessment.
Midterm exam consists of two parts: a test (questions of closed type with one possible correct answer) and exercises.	30 %	During the semester	The test consists of closed type questions and few exercises based on the material from the lectures and the required literature. Each correct answer is awarded a certain number of points. Varied points are assigned for closed-type questions and exercises. The total number of points is transferred to a ten-point system. The grade is multiplied by 0.4.
Final exam consists of two parts: a test (questions of closed type with one possible correct answer) and exercises.	30 %	During the examination period	The test consists of closed type questions and few exercises based on the material from the lectures and the required literature. Each correct answer is awarded a certain number of points. Varied points are assigned for closed-type questions and exercises. The total number of points is transferred to a ten-point system. The grade is multiplied by 0.5.
Additional information			External examination of the subject is not possible

Author	Published in	Title	Issue No. or Volume	Publishing house or Internet site
Required reading				
Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P.	2018	Principles of Corporate Finance	12 th edition	McGraw-Hill Education
Kapoor, J. R., Dlabay, L R., Hughes, R. J., & Hart, M. M.	2019	Personal finance	13 th edition	McGraw-Hill Education
Rosen, H., Gayer, T.,	2021	Public finance	10 th edition	McGraw-Hill Education
Saunders, A., Millon, M.	2021	Financial Markets and Institutions	8 th edition	McGraw-Hill Education
Bloomberg LAB	2023	Fundamentals of Finance		Bloomberg Terminal
Additional reading				
Bodie Z., Kane A., Marcus A. J.	2016	Essentials of investments	10 th edition	McGraw-Hill/Irwin
Brigham, E. F., Houston, J. F.	2021	Fundamentals of Financial Management.		Concise. Cengage Learning.
Gitman L.J., Zutter C.J.	2019	Principles of Managerial Finance	14 th edition	Pearson
Ross, S. A., Westerfield, R. W., Jordan, B. D.	2022	Fundamentals of Corporate Finance	13 th edition	McGraw-Hill Education