# UNIVERSITY OF ECONOMICS - VARNA

# FACULTY OF ECONOMICS

## DEPARTMENT „INDUSTRIAL BUSINESS"

**ACCEPTED BY:**

**Rector:**

**( Prof. Dr. Plamen Iliev)**

# SYLLABUS

**SUBJECT: " FINANCIAL AND INVESTMENT MANAGEMENT ";**

**DEGREE PROGRAMME: „Business and Management"; BACHELOR`S DEGREE**

**YEAR OF STUDY: 4; SEMESTER: 7;**

**TOTAL STUDENT WORKLOAD: 240 h.; incl. curricular 75 h.**

**CREDITS: 8**

### DISTRIBUTION OF WORKLOAD ACCORDING TO THE CURRICULUM

| *TYPE OF STUDY HOURSE* | WORKLOAD, h. | TEACHING HOURS PER WEEK, h |
|---|---|---|
| CURRICULAR:<br> incl. | | |
| • LECTURES | 45 | 3 |
| • SEMINARS (lab. exercises) | 30 | 2 |
| EXTRACURRICULAR | 165 | - |

**Prepared by:**

1. …………………………………..
   **(Ass.poff. Dr. Ivan Petrov)**

2. ……………………………………
   **(Chief. Assist. Dr Milcho Bliznakov )**

**Head of department: …………………………………..**
**(Assoc. Prof. Dr. Ilian Minkov)**

# I. ANNOTATION

*The course introduces the students to the modern methods of financial and investment management of the company. In theory, the course gives knowledge about optimal investment distribution, portfolio theory, the capital asset valuation model, and the optimal capital structure theory. The course is provisionally divided into two parts: financial management and investment management. Students acquire knowledge and skills for the practical application of modern methods in the management of the company's finances and investments.*

# II. THEMATIC CONTENT

| No. по ред | TITLE OF UNIT AND SUBTOPICS | NUMBER OF HOURS | | |
|---|---|---|---|---|
| | | L | S | L.E. |
| 1 | INTRODUCTION TO FINANCIAL AND INVESTMENT MANAGEMENT | 3 | 2 | |
| 1.1 | | | | |
| 1.2 | | | | |
| 1.3 | | | | |
| 2 | COMPANY STOCKS | 3 | 2 | |
| 2.1 | Definitions | | | |
| 2.2 | Types of Stocks | | | |
| 2.3 | Stocks Valuation | | | |
| 3 | CORPORATE BONDS | 3 | 2 | |
| 3.1 | Definitions | | | |
| 3.2 | Types of Bods | | | |
| 3.2 | Bonds Valuation | | | |
| 4 | LEASING | 3 | 2 | |
| 4.1 | Operational Leasing | | | |
| 4.2 | Financial Leasing | | | |
| 5 | CAPITAL STRUCTURE | 3 | 2 | |
| 5.1 | Financing Costa | | | |
| 5.2 | WACC | | | |
| 5.3 | Optimal Capital Structure | | | |
| 5.4 | Capital Structure with Taxes | | | |
| 6 | PROJECT EVALUATION – STATIC APPROACH | 3 | 2 | |
| 6.1 | Definitions | | | |
| 6.2 | Cash Flows Forecast | | | |
| 6.3 | Pay back | | | |
| 6.4 | Efficiency ratios | | | |
| 7 | DISCOUNTED CASH FLOWS APPROACH | 6 | 4 | |
| 7.1 | Net Present Value | | | |
| 7.2 | Internal Rate of Return | | | |
| 7.3 | Annual Equivalent Value | | | |
| 8 | CAPITAL RATIONING | 3 | 2 | |
| 8.1 | Project Selection – Different Investment Costs | | | |
| 8.2 | Project Selection – Different Cash Flows Timing | | | |
| 8.3 | Project Selection – Different Project Life | | | |
| 8.4 | Modified NPV and IRR | | | |
| 9 | RISK EVALUATION – TRADITIONAL APPROACH | 6 | 4 | |
| 9.1 | Risk Measurement | | | |
| 9.2 | Scenario Analysis | | | |
| 9.3 | Sensitivity Analysis | | | |
| 9.4 | Beak-even Analysis | | | |

| | | | | |
|---|---|---|---|---|
| **10** | **PORTFOLIO MANAGEMENT** | 6 | 4 | |
| 10.1 | Portfolio with Two Risky Assets | | | |
| 10.2 | Portfolio with Risk Free and Risky Assets | | | |
| 10.3 | Optimal Portfolio | | | |
| **11** | **CAPITAL ASSETS PRICING MODEL** | 3 | 2 | |
| 11.1 | Expected Return of an Asset | | | |
| 11.2 | Security Market Line | | | |
| 11.3 | Beta Calculation | | | |
| **12** | **PROJECT EVALUATION IN UNCERTAINTY** | 3 | 2 | |
| 12.1 | Laplace Rule | | | |
| 12.2 | Mini Max Rule | | | |
| 12.3 | Minimal Regret Rule | | | |
| | **Total:** | 45 | 30 | |

## III. FORMS OF CONTROL:

| No. by row | TYPE AND FORM OF CONTROL | № | extracurricular, h. |
|---|---|---|---|
| | | | |
| **1.** | **Midterm control** | | |
| 1.1. | Test 1 | 1 | 50 |
| 1.2. | Test 2 | 1 | 50 |
| | **Total midterm control:** | 2 | 100 |
| **2.** | **Final term control** | | |
| 2.1. | Examination (test) | 1 | 65 |
| | **Total final term control:** | 1 | 65 |
| | **Total for all types of control:** | 3 | 165 |

## IV. LITERATURE

**REQUIRED (BASIC) LITERATURE:**
1. Gupta, A., Project Appraisal and Financing, Prentice-Hall of India, 2017
2. Dayanda,D., Irons,R.,Capital Budgeting. Financial Appraisal of Investment Projects, Cambridge University Press,2002
3. Götze, U., Northcott,D., Schuster,P., Investment Appraisal: Methods and Models, Berlin, 2008

**RECOMMENDED (ADDITIONAL) LITERATURE:**

1. Ross,S., Corporate Finance -11 ed., The Mcgraw-hill, 2016
2. Berk, J., Corporate Finance – 4 ed, Pearson Series in Finance, 2016
3.