

**Government of the Russian Federation
Saint-Petersburg University**

SYLLABUS

Introduction to business management: **Finance**

Instructor: [Prof. Egor Nikulin](#)

Study language: english

Recommended study period: September, 10-30

1. Course description

The course serves as a prerequisite for the main Corporate Finance (CF) course that the students are going to study later on in the Fall semester of the 1st year. The main aim of the introductory course is to get students familiar with the main concepts and problem areas of CF in order to facilitate their study of the main CF course. The main topics covered include role and tasks of financial management in a corporation; analysis of a company's cash flows; time value of money concept.

2. The goal and objectives of the course

- *to give an introduction to corporate finance, providing a pre-requisite for Corporate Finance course;*
- *to provide an understanding of the most important concepts and issues of corporate finance at a level that is approachable for a wide audience;*
- *to develop basic skills of making financial decisions in accordance with the concept of time value of money.*

3. Organization of the course

Out of class workload, hours				
Video-hours	Practical exercises	Reading	Tests	Workload
4	12	12	8	36

4. Structure and content

Topic 1	Introduction to Finance. Overview of Corporate Financial Decisions
	The role of a financial manager in a firm is examined and the main areas of financial decision-making in a company are considered.
Episodes	Episode 1.1. Definition of Finance. Corporate Finance. Characteristics

	of Corporations Episode 1.2. Corporate Financial Decisions Episode 1.3. Sources of Corporate Financing
Topic 2	Financial statements and Cash Flows
	A firm's main financial reports are discussed (balance sheet statement and income statement). The focus of the topic is on the information we can extract from these reports in order to make financial decisions.
Episodes	Episode 2.1. Balance sheet statement and its managerial applications Episode 2.2. Income statement and its managerial applications Episode 2.3. The concept of cash flow from assets (free cash flow)
Exercises	Exercise 2.1. Elements of free cash flow Exercise 2.2. Cash flow to stockholders and cash flow to creditors
Topic 3	Time value of money. Single cash flow
	The topic introduces students to the time value of money concept. Simple approaches to estimate present and future value of money of a single cash flow are considered.
Episodes	Episode 3.1. Time value of money. Simple and compound interest Episode 3.2. Present and future value of money. Using financial tables for calculations Episode 3.3. Effect of different parameters on present and future value of money
Exercises	Exercise 3.1. Future value of money using simple and compound interest Exercise 3.2. Present value of money Exercise 3.3. Comparison of present (future) values of different single cash flows
Topic 4	Time value of money. Multiple cash flows
	The concepts studied in Topic 3 are now applied to the case of multiple cash flows. Special cases of multiple cash flows are considered (annuities and perpetuities). The topic also gets students familiar with the effective annual rate concept and the way inflation is treated in financial calculations.
Episodes	Episode 4.1. Calculating present and future value of multiple cash flows Episode 4.2. Annuities Episode 4.3. Quoted and effective annual rates. Inflation.
Exercises	Exercise 4.1. Calculating the net present value indicator Exercise 4.2. Future value of a multiple cash flow Exercise 4.3. Calculating payment of the annuity. Exercise 4.4. Annuities and perpetuities Exercise 4.5. Effective annual rate Exercise 4.6. Calculating present value of a multiple cash flow when compounding occurs several times in a period.

Exercise 4.7. Equivalent cash flows (1) Exercise 4.8. Equivalent cash flows (2)
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5. Contact information

Name of the instructor	Degree	Position	Contact information
Egor Nikulin	PhD in Economics	Senior lecturer, Finance and Accounting Department	nikulin@gsom.pu.ru

6. Recommended literature

General recommendations	<p>Required textbook</p> <ul style="list-style-type: none"> S. A. Ross, R. W. Westerfield, B. D. Jordan. Essentials of Corporate Finance. 6th, 7th or 8th ed. McGraw Hill, 2008, 2010 or 2013. <p>Additional textbook</p> <ul style="list-style-type: none"> F. J. Fabozzi, P. Peterson Drake. Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management. Ch. 1, 2, 4, 5, 10, 12, 13.
Topic 1	<ul style="list-style-type: none"> S. A. Ross, R. W. Westerfield, B. D. Jordan. Essentials of Corporate Finance. 6th, 7th or 8th ed. McGraw Hill, 2008, 2010 or 2013. <i>Chapter 1.</i>
Topic 2	<ul style="list-style-type: none"> S. A. Ross, R. W. Westerfield, B. D. Jordan. Essentials of Corporate Finance. 6th, 7th or 8th ed. McGraw Hill, 2008, 2010 or 2013. <i>Chapter 2.</i>
Topic 3	<ul style="list-style-type: none"> S. A. Ross, R. W. Westerfield, B. D. Jordan. Essentials of Corporate Finance. 6th, 7th or 8th ed. McGraw Hill, 2008, 2010 or 2013. <i>Chapter 4.</i>
Topic 4	<ul style="list-style-type: none"> S. A. Ross, R. W. Westerfield, B. D. Jordan. Essentials of Corporate Finance. 6th, 7th or 8th ed. McGraw Hill, 2008, 2010 or 2013. <i>Chapter 5.</i>