



## COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Fundamentals of Finance	

Academic staff	Core academic unit(s)
Coordinating: assoc. prof. dr. Greta Keliuotytė-Staniulėnienė  Other:	Kaunas Faculty, Institute of Social Sciences and Applied Informatics

Study cycle	Type of the course unit
Bachelor	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of instruction
Contact	Autumn semester	English

Requisites	
Prerequisites:	Co-requisites (if relevant):

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

Purpose of the course unit		
To introduce fundamental financial concepts and theoretical terms used to explain economic and financial phenomena, while fostering students' capacity to critically understand the financial system and the transformations occurring within it.		
Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
The students will be able to: <ul style="list-style-type: none"> <li>- understand and appropriately apply the most important models of financial theory;</li> <li>- properly link financial concepts and phenomena with the decisions made;</li> <li>- independently search for and critically analyze information on financial issues;</li> <li>- analyze the participants of the financial system, as well as the formation and use of their resources;</li> <li>- propose solutions to financial situations consistent with their level of acquired knowledge and engage in discussions regarding their advantages and disadvantages.</li> </ul>	Lectures and seminars, independent work, group discussions, workshops, case study analysis, information search and literature review, completion of individual assignments	Mid-term tests and final examination (including open-ended and closed-ended tasks/questions), evaluation of individual assignments

Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	Contact hours, total	Individual work	Tasks for individual work
<b>Introductory lecture</b>	2						2		
<b>1. The essence and functions of finance.</b> The subject of finance. Stages in the development of finance science. Functions of finance. Description of financial theories. Finance and accounting. Finance and law.	2						2	4	Literature analysis, preparation for tests, individual tasks. [F1] Part1
<b>2. Time value of money as a basis for finance.</b> Calculation of future value and present value. Periodic payments. Future value of periodic payments. Present value of periodic payments. Interest rate.	3		2				5	8	Literature analysis, preparation for tests, individual tasks. [F1] Part2
<b>3. Financial Risk.</b> Concept: uncertainty and risk. Types of risk. Risk and return. Risk measures: standard deviation, coefficient of variation. Risk identification and analysis.	2		2				4	8	Literature analysis, preparation for tests, individual tasks. [F1] Part2
<b>4. The Financial System.</b> Concept of the financial system. Participants and functions of the financial system. Concept of financial markets. Structure of financial markets: securities market, foreign exchange market, credit market. Financial market instruments.	3		2				5	12	Literature analysis, preparation for tests, individual tasks, group discussions. [F3] Part1, Part5
<b>5. Corporate Finance.</b> Principles of financial management in a company. Financial decisions. Cash flows and profit. Analysis of corporate financial statements. Key financial ratios. Investment appraisal methods: payback period, NPV, IRR. Business financing. Differences between the functions of a financial manager and an accountant.	8		4				12	16	Literature analysis, preparation for tests, individual tasks, group discussions, workshop. [F1] Part2
<b>6. Household Finance.</b> Research issues in household finance. Financial behavior over the life cycle. Life cycle and allocation of finances. Fundamental principles of personal financial management. Household income and expenditures. Financial statements and budgeting. Household financing and investment.	8		4				12	16	Literature analysis, preparation for tests, individual tasks, group discussions, case study analysis. [F2] Part1, Part2
<b>7. Public Finance.</b> Concept, functions, and structure of the national budget. Principles of budget formation. State and municipal finance. Taxes.	4		2				6	8	Literature analysis, preparation for tests, individual tasks, case study analysis. [F4] Part2, Part4
<b>Preparation for examination</b>								10	
<b>Total</b>	<b>32</b>		<b>16</b>				<b>48</b>	<b>82</b>	

Assessment strategy	Weight %	Deadline	Assessment criteria
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Individual tasks	30 %	During the semester	1 test from each topic (VLE). Each test consists of up to 20 questions (closed-ended). The individual assignment grade is determined by summing all test scores, multiplying by 0.3, and dividing by the number of tests.
Mid-term test 1	20 %	During the semester	A test consists of 30 questions, including open and closed ended questions (VLE).
Mid-term test 2	20 %	During the semester	A test consists of 30 questions, including open and closed ended questions (VLE).
Examination	30 %	During the session	A test consists of 40 questions, including open and closed ended questions (VLE).

Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
<b>Required reading</b>				
[F1] Brigham E.F., Houston J.	2021	Fundamentals of Financial Management	16th Edition	Cengage Learning
[F2] Madura J.	2020	Personal Finance	7th Edition	Pearson Education
[F3] Mishkin F. S., Eakins S.	2024	Financial Markets and Institutions	10th Edition	Pearson Education
[F4] Rosen H., Gayer T.	2014	Public Finance	10th Edition	McGraw-Hill Education
<b>Recommended reading</b>				
Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan.	2019	Fundamentals of Corporate Finance	12th Edition	McGraw-Hill Education
Chad J. Zutter, Scott B. Smart	2022	Principles of Managerial Finance	16th Edition	Pearson
Bodie Z., Kane A., Marcus A. J.	2023	Investments	13th Edition	McGraw-Hill Education