

**EMBA 5811 – Project Evaluation and Financing**

**Instructor:** Dr. Seza Danişoğlu  
**Office Number:** FEAS – Building B - H112  
**Office Hours:** MW 18:00 – 18:30 between Mar. 1 and Mar. 11, 2017  
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**Course Web Page:** <https://odtuclass.metu.edu.tr/course/view.php?id=4776>

**Course Objectives:**

This course focuses on methods and techniques used in appraising private and social profitability of new investment projects. Various statistical methods and simulation techniques that are used in determining and measuring the degree of risk associated with investment projects are discussed and the effect of high inflation rates on the evaluation of investment projects is emphasized.

**Required Reading:**

**Brigham, E.F. and M.C. Ehrhardt Financial Management: Theory and Practice, 13<sup>th</sup> Edition, CENGAGE Learning, 2011, ISBN: 978-1-4390-7810-5.**

**STUDENT LEARNING OBJECTIVES FOR THIS COURSE:**

1. Understand the cost of capital, its importance in project evaluation, and develop skills in using market-based data to calculate the cost of capital for domestic as well as international projects
2. Learn the project evaluation process; acquire the technical skills for assessing project alternatives financially; understand the practical difficulties in capital budgeting; identify, analyze, and propose reasonable solutions to these problems

**Course Requirements:**

The students will be assigned readings from the textbook and are expected to come to class prepared and ready to take part in class discussions.

Attendance is mandatory in this class. Past experience repeatedly demonstrated that students who regularly attend class and read the chapter assignments perform significantly better than students who have an intermittent attendance and who do not keep current in reading the chapters.

**Exams:** There will be one essay-type written examination. The exam schedule is as follows:

**Written Examination: Saturday, March 11, 2017, 11:15 – 13:30**

**Grades:** Your total score in the course will be determined by the following weights:

<b>Written Examination</b>	<b>45%</b>
<b>Case Study Reports</b>	<b>45%</b>
<b>Class and Case Study Discussion Participation</b>	<b>10%</b>

No “extra” work above the aforementioned will be accepted or credited.

**Makeup Examinations:** There will be no make-ups for the exam or the assignments. If you have a time conflict, please contact me ahead of time.

**Important Note About Re-sit (Bütünleme) Exams:** Please note that re-sit exams are no longer given at METU.

**Incompletes:** A grade of incomplete will not be granted except for the most extreme circumstances and only after stringent verification and approval by the Department. A grade of incomplete will be granted only as a result of circumstances beyond the student's control. A grade of "I" is not given in lieu of an "FF".

**CASES:** Two cases will be assigned during the module. These cases will be discussed in detail during a regular class session. All students are expected to respond to specific questions and critique other student comments. Therefore, each student is expected to come to class ready to discuss the case. Please note that 10 percent of your overall grade will depend on your participation in the case discussions.

In addition, a written report on all of the two cases will be submitted. You may prepare these reports individually or in groups of two people. The cover page of the case reports should state the name(s) of the student(s) clearly. These reports should be concise yet address all of the major issues raised in the case. They should be similar in style and content to an executive summary and should be no more than three typed pages of narrative (double-spaced, 12-point Times New Roman). You may add any exhibits, tables, figures as an appendix to these three pages. The

reports for the case studies are due at the beginning of the class period during which they will be discussed and they will be uploaded as a Turnitin assignment via the ODTUClass system.

**PRESENTATION SLIDES:** A copy of the presentation slides is available at the course web page. These slides can be used as chapter summaries and utilized while taking down notes during class.

**STUDENT DISABILITIES:** Any student, who, because of a disabling condition, may require special arrangements in order to meet course requirements, should contact the instructor as soon as possible. Students should present the appropriate documentation from the university's Disability Support Office (Engelsiz ODTÜ Birimi, ODTÜ Kütüphanesi, Solmaz İzdemir Salonu, Tel: 210.7196; [engelsiz@metu.edu.tr](mailto:engelsiz@metu.edu.tr)) verifying their disability, and outlining the special arrangements required. Please note that no accommodations will be provided to the disabled students prior to the completion of this approved University process.

**ACADEMIC DISHONESTY:** The Department of Business Administration has no tolerance for acts of academic dishonesty. Such acts damage the reputation of METU, the department and the EMBA degree and demean the honest efforts of the majority of the students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

**CHEATING:** All university, faculty/institute, and department principles on academic honesty will be strictly enforced. The usual consequence for academic dishonesty is failure of the course and referral of the case to the Dean of the Faculty/Institute for additional disciplinary action. Examinations are individual and are to be completed without outside assistance of any sort. Persons observed cheating during examinations will receive a failing grade in the course. Homework assignments are individual, unless otherwise specified by the instructor, and are to be completed without outside assistance of any sort, as well. Persons observed cheating in their homework assignments will receive a score of zero for the portion of the semester grade that is allocated to such assignments.

**PLAGIARISM:** The instructor assumes that students will do their own work. By placing their names on assignments (individual or team), students are affirming that the contents are their original work. Any previous work available from files or past students, as well as materials available on the internet may be used only as a suggestive model. Violation of this provision will be considered as unethical behavior, subject to disciplinary action. If you have any doubt about the use of a specific material, see the instructor ahead of time. Any material used from outside sources should be referenced appropriately.

#### METU HONOR CODE

Every member of METU community adopts the following honor code as one of the core principles of academic life and strives to develop an academic environment where continuous adherence to this code is promoted.

"The members of the METU community are reliable, responsible and honorable people who embrace only the success and recognition they deserve, and act with integrity in their use, evaluation and presentation of facts, data and documents."

**CIVILITY IN THE CLASSROOM:** Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, unless otherwise approved by the instructor, students are prohibited from using laptop computers and cellular phones, making offensive remarks, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in classroom shall result, minimally, in a request to leave class.

Past observations showed that the METU EMBA classroom experience is improved when the following are true:

**Students arrive on time.** Timely arrival ensures that classes are able to start and finish at the scheduled times. Timely arrival shows respect for both fellow students and faculty and it helps to create a better learning environment by reducing avoidable distractions.

**Students are fully prepared for each class.** Much of the learning in the METU EMBA program takes place during classroom discussions. When students are not prepared, they cannot contribute to the learning process. This affects not only the individual but also the classmates who count on them.

**Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged; however, intolerance for the views of others is unacceptable.

**Laptops, phones and wireless devices are turned off.**

**STUDENT EXCUSES:** Unless you inform me in advance, I will not excuse you from any of the grade requirements. At the same time, this does not mean that I will allow you to miss a test or an assignment with any excuse that you present to me. Please note that an excuse is acceptable for only the most extreme circumstances and only after stringent verification and approval by the Department.

**KNOW YOUR RIGHTS AND RESPONSIBILITIES!** <http://oidb.metu.edu.tr/en/academic-rules-and-regulations>

**NOTE THE IMPORTANT DATES ON THE ACADEMIC CALENDAR!** <http://oidb.metu.edu.tr/en/academic-calendar>

The instructor assumes that students who attend the next class have understood and accepted to agree with all the requirements and rules of this course.

**Notes:**

- Usage of cell phones is strictly prohibited during class. Please be courteous to your classmates and me and make sure that your phones are on silent mode before the class begins.
- Please arrive on time and do not enter the classroom if I already have closed the classroom doors. If you have to leave early, please inform me in advance. If, due to uncontrollable circumstances, you end up being late for class, please wait outside until the first in-class break during which I will open the classroom door and let you in.
- Please turn in the homework assignments at the beginning of the class period they are due on and note that no late assignments (no matter how late) will be accepted once the class starts.
- You are encouraged to drop by my office during office hours for questions, concerns, or, suggestions. Outside the office hours, please make an appointment with me in advance, before or after the class, via phone or e-mail. For quick questions that you may have, note that e-mailing is a very effective means of communicating with me.

Good luck to all of you!! **S.D.**

Don't be Trashy. Recycle.

**Do not throw items away in the trash that should go into the recycling bin. Show a little class.**

RECYCLING  
WORKS

### Tentative Course Schedule

The following table gives the schedule for the module. The lectures will stress the most important and/or most difficult material. Appendices are required only if they are assigned. The students are required to read the chapters and appendices before they are covered in class.

Date	Topic	Reading Assignment	Homework Assignment	Course Learning Objectives
<b>March 1 (Wed)</b> 18:30 – 21:15	The Cost of Capital The Basics of Capital Budgeting: Evaluating Cash Flows	Chapter 9 Chapter 10	<b>Start working on Case #1 (Mar. 6)</b>	1, 2
<b>March 4 (Sat)</b> 09:30 – 13:30	The Basics of Capital Budgeting: Evaluating Cash Flows (Cont'd) Cash Flow Estimation and Risk Analysis	Chapter 10 Chapter 11	<b>Start working on Case #2 (Mar. 11)</b>	2
<b>March 6 (Mon)</b> 18:30 – 21:15	Cash Flow Estimation and Risk Analysis (Cont'd) <b>Case 1 Discussion</b>	Chapter 11		1, 2
<b>March 11 (Sat)</b> 09:30 – 13:30	<b>Case 2 Discussion</b> <b>Written Examination</b>			2