



Course Syllabus

Course Code	Course Title	ECTS Credits
FIN-410	Financial Management	6
Prerequisites	Department	Semester
FIN-266	Accounting, Economics & Finance	Fall/Spring
Type of Course	Field	Language of Instruction
Required	Finance	English
Level of Course	Lecturer(s)	Year of Study
1 st Cycle	Dr Svetlana Sapuric	3 rd and 4 th
Mode of Delivery	Work Placement	Corequisites
Face-to-Face	None	None

Course Objectives:

The main objectives of the course are to:

- create a knowledge and understanding of financial management techniques suitable for all commercial organizations;
- provide an understanding of how financial resources are acquired from external capital markets and generated from internal operations;
- examine the effective utilisation and control of those funds within the organization;
- apply various forecasting techniques to evaluate the short- and long-term needs of an organization;
- assess the capital structure of an organization and relate it to its most desirable capital budgeting based on the cost of capital incurred.

Learning Outcomes:

After completion of the course students are expected to be able to:

1. examine the role and purpose of financial management;
2. evaluate and weigh the overall management of working capital;
3. evaluate and value appropriate sources of finance for particular situations;
4. examine and gauge the capital structure of a firm;
5. appraise capital investment through the use of appropriate methods;
6. assess the cost of capital of a firm and the necessary components included;
7. examine different dividend policy decisions and critically evaluate each method under various circumstances;

8. construct budgets and use them to control and evaluate organizational performance; and
9. defend the results of their analysis in an appropriate form to all interested parties.

Course Content:

- **Introduction to Financial Management:** Understanding, in an organizational context, the term "Financial Management", which hinges on three key decision areas: the investment decision, the financing decision, and the payout or dividend decision.
- **Financial Management Environment:** Examine the economic and financial environment that affect the decision making of financial managers, nature and role of financial markets (capital and money markets) and institutions, and regulation present within the financial management framework
- **Financial Forecasting and Planning:** Development of financial plans involving an understanding of three key steps: setting aims and objectives, identifying the options available, and evaluating the options and making a selection.
- **Working Capital Management:** It examines cash, inventory, credit policy including receivables and payables.
- **Current Asset Management:** Examine the management of inventories, cash and accounts receivable. Apply techniques for the management of cash (Operating cycle, Cash Conversion Cycle), inventory (EOQ model, reorder model quantity) and accounts receivable (cash discounts, credit standards, credit terms)
- **Current Liabilities Management:** Apply measures in management of short term financing needs, through spontaneous (accounts payable and accruals), unsecured (bank loans, commercial paper) and secured sources of finance (accounts receivable and inventory collaterals). Evaluate the effects of cash discounts and stretching of accounts payable.
- **Analyzing and Interpreting Financial Statements:** Preparing the three key financial statements: income, balance sheet and cash flow statements and demonstrating how financial, or accounting, ratios can help in assessing the financial position and financial performance of an organization.
- **Appraising Investment Opportunities:** Examine the models (NPV, IRR, MIRR, Payback, Profitability Index) used by organizations to make decisions involving investments in new plant, machinery, buildings and similar long-term assets that will maximize the wealth of the owners.
- **Financing a Business:** Identify the main short term, long term, and sources of finance available to an organization, discuss the main features of each source and consider the factors to be taken into account when choosing among them, as well as finance for small and medium sized entities
- **The Capital Structure Decision:** Utilize available models to calculate the cost of capital and identify the factors that need to be considered when deciding upon the capital structure of an organization. Operating, Financial Leverage
- **Dividend Policy:** Examining the alternative dividend policies available to an organization and the possible impact of these on the attitude of shareholders to investing in the organization and the returns they require.

- **Equity Market and Valuation:** Analyzing the characteristics of different types of stocks available to investors and the various valuation techniques (dividend growth model, variable model, FCFF) that accompany stocks based on their growth patterns. Examining the Market Efficiency Model in relation to the pricing, return and risk of securities
- **Bond Market and Valuation:** Assess the use and applications of bonds, considering their yield to maturity, face values and prices, and demonstrate the ability to value common and zero-coupon bonds.
- **Cost of Capital:** Examines the cost of capital incurred, weighted average cost of capital, including cost of equity and cost of debt.
- **Risk Management:** Analyzing the various risk factors (foreign exchange risk and interest rate risk) pertaining a business and various approaches to mitigate it

Learning Activities and Teaching Methods:

1. Faculty Lectures
2. Weekly In-Class Exercises
3. Case Study Analyses
4. Academic Paper Discussion
5. Student Presentations

Assessment Methods:

Case Study Assignment, Mid-Term Exam, Final Exam

Required Textbooks / Readings:

Title	Author(s)	Publisher	Year	ISBN
Principles of Managerial Finance	Zutter, Chad Z. and Smart, Scott, B	Pearson	2018	9780134476315
Principles of Managerial Finance	Gitman, Lawrence J	Pearson	2015	978-1-292-01820-1
Financial Management: Principles and Applications	Titman, S., Keown, A. and Martin, J.	Pearson	2018	9780134417219

Lecture Notes/Material	Sapuric, Svetlana	University of Nicosia	2021	
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Recommended Textbooks / Readings:

Title	Author(s)	Publisher	Year	ISBN
Investments, 12th Edition	Bodie, Z., Kane, A. and Marcus, A.	McGraw Hill	2020	978-1260013832
Financial Management: Theory and Practice	Brigham E. and Ehrhardt M.	South Western College Publishing	2020	978-1-337-90260-1
Guide to Financial Management	Tennent, John	London Profile Books	2018	9781781259146