

ECTS Syllabus

Course title	FINANCIAL MANAGEMENT				
Course code	FIN-410				
Course type	MAJOR				
Level	1st Cycle				
Year / Semester	4th / FALL, SPRING				
Teacher's name	SVETLANA SAPURIC				
ECTS	6	Lectures / week	3	Laboratories / week	N/A
Course purpose and objectives	<p>The course offers an in-depth study of financial management principles, focused on effective resource management to meet organizational goals. Students will explore the financial environment's impact on decisions, learn investment appraisal techniques, and understand working capital management. The course covers funding strategies, risk management, cost of capital, and business valuation. The main objectives of the course are to:</p> <ul style="list-style-type: none"> • 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	<p>Examine the role and purpose of financial management; Evaluate and weigh the overall management of working capital; Evaluate and value appropriate sources of finance for particular situations; Examine and gauge the capital structure of a firm; Appraise capital investment through the use of appropriate methods; Assess the cost of capital of a firm and the necessary components included; Examine different dividend policy decisions and critically evaluate each method under various circumstances; Construct budgets and use them to control and evaluate organizational performance; and</p>				

	Defend the results of their analysis in an appropriate form to all interested parties.		
Prerequisites	ACCT-310, ACCT-360	Required	YES
Course content	<ul style="list-style-type: none"> • 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 		

	<ul style="list-style-type: none"> • 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. • ESG – Examining the environmental, social and governance factors pertaining to a business and how to include it in valuation of a company. • Risk Management: Analyzing the various risk factors (ESGs, foreign exchange risk and interest rate risk) pertaining a business and various approaches to mitigate it
Teaching methodology	FACE TO FACE
Bibliography	<p>Zutter, Chad Z. and Smart, Scott, B., Principles of Managerial Finance, Pearson, 2021, ISBN: 9781292400648</p> <p>Gitman, Lawrence J., Principles of Managerial Finance, Pearson, 2015, ISBN: 978-1-292-01820-1</p> <p>Titman, S., Keown, A. and Martin, J., Financial Management: Principles and Applications, Pearson, 2018, ISBN: 9780134417219</p>
Assessment	Mid-term exam, Project-Based Assignment, Final exam
Language	English