



<b>Course Code</b> MBAN-622	<b>Course Title</b> Financial Management	<b>ECTS Credits</b> 7.5
<b>Department</b> School of Business	<b>Semester</b> Fall, Spring	<b>Prerequisites</b> MBA-612
<b>Type of Course</b> Core	<b>Field</b> Finance	<b>Language of Instruction</b> English
<b>Level of Course</b> 2 <sup>nd</sup> Cycle	<b>Year of Study</b> 2nd	<b>Lecturer(s)</b> Dr Svetlana Sapuric
<b>Mode of Delivery</b> face-to-face	<b>Work Placement</b> N/A	<b>Co-requisites</b> None

### **Objectives of the Course:**

This course aims to develop a knowledge and understanding of financial management techniques suitable for all commercial organisations. It provides an understanding of how financial resources are acquired from external capital markets and generated from internal operations. Furthermore, it examines the effective utilisation and control of those funds within the organisation.

### **Learning Outcomes:**

On completion of this course, students should be able to:

1. identify and describe the internal and external financial structures of which their organization is a part,
2. assess where and how to finance projects which the firm is considering
3. appraise a particular investment project,
4. analyze the relationship between risk and return when evaluating different investments,
5. discuss the pros and cons of various investment vehicles,
6. demonstrate the ability to apply the concepts of value maximization to financial decisions of an entity,
7. prepare budgets and use them to control and evaluate organizational performance,
8. demonstrate the ability to work effectively in both independent and team situations to resolve financial problems and make decisions about the entities financial management.

### **Course Content:**

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**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 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.

**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 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. Time value of money. Buy or Lease.

**Risk and Rates of Return:** Further examination of investment appraisal recognizing the potential impact of inflation, risk and the fast-changing environment in which organizations operate.

**Financing a business:** Identify the main short term, long term, sources of finance available to an organisation, discuss the main features of each source and consider the factors to be taken into account when choosing among them.

**The cost of capital and 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 Valuation:** Analyzing the characteristics of different types of stocks available to investors and the various valuation techniques that accompany stocks based on their growth patterns.

**Bonds and its 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.

**Working Capital Policy, Working Capital Management:** It examines cash, inventory, credit policy including receivables and payables.

### **Learning Activities and Teaching Methods:**

Lectures, in-class exercises, case study analysis and discussion, and discussion of topical articles appearing in academic or professional journals or newspapers.

### **Assessment Methods:**

Coursework (case study, management report or academic essay), Mid-semester exam, Final examination.

**Required Textbooks/Reading:**

<b>Authors</b>	<b>Title</b>	<b>Publisher</b>	<b>Year</b>	<b>ISBN</b>
Gitman, Lawrence J	Principles of Managerial Finance	Addison Wesley	2008	0321267613

**Recommended Textbooks/Reading:**

<b>Authors</b>	<b>Title</b>	<b>Publisher</b>	<b>Year</b>	<b>ISBN</b>
Bodie, Z., Kane, A. and Marcus, A.	Investments	McGraw-Hill	2007	0073530611
Neale B. and McElroy T.	Business finance: a value based approach	Pearson Education Limited	2004	978-0-201-61904-1

The *Financial Times* or the *Wall Street Journal* is recommended reading for this course. Other journal or newspaper articles may also provide articles relevant to the subject matter being discussed.