



## Course Syllabus

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|-------------------------|-----------------------|------------------------------------|
| <b>Course Code</b>      | <b>Course Title</b>   | <b>ECTS Credits</b>                |
| MBAN-622                | Financial Management  | 7.5                                |
| <b>Prerequisites</b>    | <b>Department</b>     | <b>Semester</b>                    |
| MBAN-621                | School of Business    | Fall, Spring                       |
| <b>Type of Course</b>   | <b>Field</b>          | <b>Language of Instruction</b>     |
| Required                | Finance               | English                            |
| <b>Level of Course</b>  | <b>Lecturer(s)</b>    | <b>Year of Study</b>               |
| 2 <sup>nd</sup> Cycle   | Dr. Svetlana Sapuric  | 1 <sup>st</sup> or 2 <sup>nd</sup> |
| <b>Mode of Delivery</b> | <b>Work Placement</b> | <b>Corequisites</b>                |
| Face to Face            | N/A                   | 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 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.
- **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, 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.
- **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 that accompany stocks based on their growth patterns.
- **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.
- **Working Capital Policy, Working Capital Management:** It examines cash, inventory, credit policy including receivables and payables.
- **Cost of Capital:** Examines the cost of capital incurred, weighted average cost of capital, including cost of equity and cost of debt.

**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 | Gitman, Lawrence J | Pearson               | 2014 | 978-1-292-01820-1 |
| Lecture Notes/Material           | Sapuric, Svetlana  | University of Nicosia | 2017 |                   |

**Recommended Textbooks / Readings:**

| Title                                     | Author(s)                          | Publisher                        | Year | ISBN              |
|---|------------------------------------|----------------------------------|------|-------------------|
| Investments                               | Bodie, Z., Kane, A. and Marcus, A. | McGraw Hill                      | 2014 | 978-0-0771-6114-9 |
| Financial Management: Theory and Practice | Brigham E. and Ehrhardt M.         | South Western College Publishing | 2013 | 978-1-1119-7220-2 |
| Guide to Financial Management             | Tennent, John                      | London Profile Books             | 2013 | 978-1-8619-7809-7 |