



Greenwich University

COURSE OUTLINE

SPRING 2019 Term

- **Course** : **Business Finance**
- **Code** : **GFIB 201**

ADMINISTRATIVE INFORMATION

- **Instructor** : **Ms. Azitah Salman**
- **Instructor's Email** : **azitah@greenwich.edu.pk**
(Assignments given should be sent to the instructor via email above for marking. After checking they will be returned before the next class.)
- **Class Session** : **March 25, 2019 – July 20, 2019**
- **Class Timings** : **Tuesday, 02:00 Pm - 04:00 Pm**

A 10-minute break will be given. Any student coming late or returning late after the break will be considered absent for that day.

In case of cancellation / makeup of a class you will be notified through the website of Greenwich and / or through your Greenwich email account.

ATTENDANCE:

100% class attendance is mandatory for the students to enable them to appear in the final examination. However, in case of an emergency / serious illness the students will be eligible to (02) absences during the whole semester.

RULES AND REGULATIONS:

- All mobile phones must remain switched off or kept on silent / vibration mode) for the entire duration of a class. Any breach of this rule will lead to immediate confiscation of the phone, which will only be returned after the semester is over.
- Smoking is strictly prohibited on the entire campus, except the cafeteria.
- No food, drinks, gum or beetle-nut (chalia) are allowed inside the classroom.
- In order to maintain the sanctity and decorum on the University Campus, all male and female students are required to be dressed in a decent and appropriate manner. The University shall take a particularly stern view of any kind of immodest and revealing clothes.
- The Student ID Card must be displayed while attending class.
- Cheating, plagiarism, offensive language and disruptive behavior will be addressed according to policies for academic misconduct mentioned in the Students' Handbook.

COURSE OBJECTIVE:

The broad objective is to equip the students with basic concepts of finance. Business decisions are ultimately measured in financial terms; as such understanding of the core concepts of finance will provide a foundation for further study and knowledge and will help in future career opportunities. Additionally, some of the basic quantitative techniques and analytical tools learned in the process will help the students in taking financial decisions in an organizational framework.

LEARNING OUTCOMES

On completion of the course, students will be able to understand:

1. Functions of business finance and finance manager.
2. The basics of finance theory and its applications to corporate financial decisions.
3. Analysis of financial statements.
4. Tools and techniques of time value of money for investing decisions.
5. Concepts of risk and return for portfolio management.
6. The principles of capital structure.
7. The concept of cost of capital.

TEACHING METHODOLOGY:

- Lectures
- Assignments
- Presentation by students
- Research Paper on Articles Presented at HEC Digital Library
- Case Studies
- Seminar / Workshop
- Report
- Guest Speaker: A professional from the Financial Sector will be invited to share his / her experiences with the students.
- On Line Coursera Course; Introduction to Finance
(<https://www.coursera.org/courses>)

The students are advised to submit the certificate of online course along with portfolio

Case Studies:

PERFORMANCE REQUIREMENTS:

Complying with the course requirements with active class participation and timely submission of assignments.

MATERIAL / RESOURCES:

RECOMMENDED TEXTS:

Fundamentals of Corporate Finance; Ross, westerfied Jordon

Compulsory Reading

- * Economic & Business Review (DAWN)
- * Pakistan and Gulf Economist
- * SBP's Monetary Policy Statements
- ❖ Students are urged to seek assistance from www.hecdigitallibrary.edu.pk for preparation of research papers, assignments and term reports.
- Use the following link for research
 - Bentham Science
 - Blackwell Synergy
 - Ebrary
- **Within the above**
 - Academic Search Premier
 - Business Source Premier
- Springerlink
- Oxford University Press Ebooks
- Francis and Taylor
- Greenwich Research Development Center (GRDC) and computer laboratory will have all the necessary software (SPSS) and full access to the digital library and internet.

EVALUATION METHODS AND ASSIGNMENTS:

- Quizzes will be given in every class based upon the lesson taught in the previous session. The teacher will mark and return them to the students in the same/next class.
- Students who maintain 100% attendance in a minimum course load of five will be awarded a certificate and his/her name/picture will be placed on the notice board
- Class Assignments will be given regularly.
- Class participation
- Portfolios should be maintained by students of all their assignments, quizzes, /presentation, etc. The portfolios must be submitted to the instructor in the 14th class. The portfolios will be returned to the students prior to the final examination .
- Mid-Term and Final Examination
- Final exams will comprise questions based on the entire syllabus, including the teaching done before the Mid-Term Exam.
- **Report:** The students will be assigned, individually, or in groups to write term paper / report based on visit to the corporate entities / markets and discussions with professionals and practitioners. All such visits will be undertaken through official transmittal letters to be issued by the University on the request of students and / or faculty.

GRADING:

*	Report & Article Presentation	10%
*	Quizzes.....	10%
*	Assignment	05%
*	Class Participation.....	05%
*	Mid-term Examination.....	30%
*	Final Examination	40%

COURSE CONTENT:

Week 01	An Overview of Business Finance <ul style="list-style-type: none"> <input type="checkbox"/> Finance a quick look. <input type="checkbox"/> Business finance and financial manager. <input type="checkbox"/> Forms of business organization. <input type="checkbox"/> Goals of business finance. <input type="checkbox"/> Agency problem.
Week 02	Understanding financial statements and cash flows. The balance sheet. The income statement. Taxes. Cash flow.
Week 03	Analyzing the financial statements Standardized financial statements. Ratio analysis. The Du-pont identity . Internal and sustainable growth. Using financial statement information.
Week 04	Time Value of Money <ul style="list-style-type: none"> <input type="checkbox"/> The role and perspectives of the TVM concept <input type="checkbox"/> Future values <input type="checkbox"/> Present values <input type="checkbox"/> The relationship between future and present values <input type="checkbox"/> Annuities <input type="checkbox"/> Future and present values of cash flows under high compounding frequency <input type="checkbox"/> Impact of higher compounding frequency <input type="checkbox"/> Inflation and the Time Value of Money
Week 05	Bond and Their Valuation <ul style="list-style-type: none"> <input type="checkbox"/> Definition, types and features of bonds <input type="checkbox"/> Valuation of bonds (the basic process) <input type="checkbox"/> Basic relationships in bond valuation <input type="checkbox"/> Bondholder"s expected rate of return <input type="checkbox"/> Risks associated with bond returns

Week 06	Stocks and Their Valuation <ul style="list-style-type: none"> <input type="checkbox"/> Shares and their basic features <input type="checkbox"/> Benefits from a share investments <input type="checkbox"/> Price of ordinary shares <input type="checkbox"/> Behaviour of expected dividend growth and share price <input type="checkbox"/> Price of shares based on earnings <input type="checkbox"/> Expected rate of return <input type="checkbox"/> Preferred shares and their characteristics <input type="checkbox"/> Price of preferred shared and the expected rate of return <input type="checkbox"/> Valuing the entire business
Week 07	Net present value and other investment Criteria <ul style="list-style-type: none"> <input type="checkbox"/> Net present value. <input type="checkbox"/> The payback rule. <input type="checkbox"/> The average accounting return. <input type="checkbox"/> The internal rate of return. <input type="checkbox"/> The profitability index. <input type="checkbox"/> The practice of capital budgeting
Week 08	MID Term Examination
Week 09	Introduction to Islamic Finance Main Principles of Islamic Economics and Shariah; Sources & Objectives of Shariah; <ul style="list-style-type: none"> ○ Basic Concepts of Islamic Finance & Banking ○ Concept of wealth & ownership in Islam; Sanctity of Loan (Qard Contract) ○ Concepts of Riba & its Types and related principles; Factors of Production ○ Same Treatment to Capital & Entrepreneurship on Al-Khiraj Bil Daman basis ○ Concepts of Gharar (Excessive Uncertainty) & its modern forms Qimar (Speculation)
Week 10	Introduction to Islamic Finance. The concept of: <ul style="list-style-type: none"> <input type="checkbox"/> Mudarba <input type="checkbox"/> Musharqa <input type="checkbox"/> Murabah <input type="checkbox"/> Ijarah <input type="checkbox"/> Comparison with the conventional financial system
Week 11	Introduction to Islamic Finance. The concept of: <ul style="list-style-type: none"> <input type="checkbox"/> Mudarba <input type="checkbox"/> Musharqa <input type="checkbox"/> Murabah <input type="checkbox"/> Ijarah <input type="checkbox"/> Comparison with the conventional financial system
Week 12	Risk and Return <ul style="list-style-type: none"> <input type="checkbox"/> Expected returns and risk defined <input type="checkbox"/> Calculating expected return <input type="checkbox"/> Calculating risk (Variance and Standard deviation)
Week 13	Risk and Return (Continued) <ul style="list-style-type: none"> <input type="checkbox"/> Portfolio expected returns <input type="checkbox"/> Portfolio variance and standard deviation <input type="checkbox"/> Systematic and unsystematic risk <input type="checkbox"/> Diversification and portfolio risk
Week 14	The Cost of Capital <ul style="list-style-type: none"> <input type="checkbox"/> The cost of capital concepts <input type="checkbox"/> Individual and weighted average costs of capital <input type="checkbox"/> Costs of capital and valuation <input type="checkbox"/> Capital structure

	<input type="checkbox"/> Capital structure decision (No taxes or other capital market imperfections) <input type="checkbox"/> Taxation and capital structure decision
Week 15	The Cost of Capital (Continued) <input type="checkbox"/> Debt equity ratio, cost of capital and the value of the firm (The MM Propositions) <input type="checkbox"/> Optimal capital structure <input type="checkbox"/> Costs of financial distress and bankruptcy <input type="checkbox"/> The static trade-off theory <input type="checkbox"/> The pecking order theory <input type="checkbox"/> Personal taxes <input type="checkbox"/> Evidence on capital structure determinants
Week 16	FINAL EXAMINATION

-----*For Office Use Only*-----

Dean: : _____ Date: ____ / ____ / 2019

Head of Department: : _____ Date: ____ / ____ / 2019

Faculty Member: : _____ Date: ____ / ____ / 2019

Uploaded on the website by: _____ Date: ____ / ____ / 2019