



Greenwich University

COURSE OUTLINE

SPRING 2019 Term

- **Course** : **Financial Management**
- **Code** : **GFIB 525**

ADMINISTRATIVE INFORMATION

- **Instructor** : **Dr. Kwami H. Quao**
- **Instructor's Email** : **dr.kwami@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** : **Saturday, 02:00 Pm - 04:30 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 course aims at providing basic understanding of working of capital market and its various instruments, and develop an appreciation of analytical tools and techniques used for developing investment strategies and management of investment portfolios.

TEACHING METHODOLOGY:

- Lectures
- Assignments
- Presentation by students
- Research Paper on Articles Presented at HEC Digital Library
- Seminar / Workshop
- Report
- Guest Speaker: A professional from the Financial Sector will be invited to share his / her experiences with the students.
- **Case Studies:**

PERFORMANCE REQUIREMENTS:

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

MATERIAL / RESOURCES:

RECOMMENDED TEXTS:

Foundations of Financial Management 12e

Corporate Finance Ross Westerfield Jaffe 9e

Corporate Finance Brealey Myers Allen 10 e Global Edition

- ❖ 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
 - Springerlink
 - Oxford University Press
 - Francis and Taylor
 - SAGE Publication. online
- 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 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 should be given regularly using Turnitin software. You may contact Dr. Sultan Mughal for assistance in the use of Turnitin software
- Class participation
- 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:

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

- Portfolios should be maintained by students of all their assignments, quizzes, /presentation, etc. The portfolios must be submitted to the instructor in the 12th class. The portfolios will returned to the students prior to the final examination.

COURSE CONTENTS

Week 1

Introduction & Overview

- Finance & Financial Management
- Scope of Financial Management
- Business Organizations / Financial Market
- Finance Management vs. other Managerial Functions

Week 2

Capital Budgeting

- Making Investment Decisions & evaluate Capital Projects
- Using NPV, Payback Period, Discounted Payback Period
- Internal Rate of return, Average Accounting Returns
- Profitability Index
- Problems with IRR & Cross Over Rates

Week 3

Stocks & Their Valuations

- Issuance of Stocks
- Role of Underwrites
- Types of Share / Stocks
- Market & Valuation of Stocks
- Dividend Discount Model
- Stock Market Equilibrium
- Preferred Stocks & Their Valuations

Week 4

Debt Securities

- Issuance of Debt Securitas & Their Valuation
- Types of Debt
- Conversion of Debt Securities to Equity Securities
- Bond Market & Bond Rating
- Inflation, Interest Rates and Determinants of Bond Yield

Week 5

Cost of Capital Structure

- Capital Structure Effects on Long Term
- Business vs. Financial Risk

Week 6

Impact of Debt on Return

- Capital Structure Theory, Evidence, and Implication for Managers
- Choosing the Optimal Structure

Week 7

Risk & Rate of Return

- Stand Alone Risk
- Portfolio Risk
- Capital Asset Pricing Model
- Security Market Line

MID-TERM EXAMINATION

Week 8

Analysis of Cash Flows

- Elements of Operating Cash Flows
- Investing Cash Flows
- Financing Cash Flows
- Compute, Explain, and Interpret a Statement of Cash Flows

Week 9

Analysis of Inventories

- Computing ending Inventories, Cost of Goods Sold
- Using LIFO, FIFO, & Average Cost Method
- Impact of Valuation on Financial Statements

Week 10

Financial Forecasting

- Sales Forecast
- Financial Statement Forecasting
- Constant Ratio Methods, The AFN Formula
- Forecasting Financial Requirement when Balance Sheet Ratio are Changed
- Financial Planning Model

Week 11

Short Term Financial Planning

- Current Assets Financial Policies
- Advantages & Disadvantages of Short Term Financing Accruals
- Accounts Payable, Short Term Bank Loans
- Size of Firms Investment in Current in Assets

Week 12

Leasing

- Advantages of Lessor & Lessee Under a Lease Agreement
- Compare the Difference Between the Operating & Capital Lease

Week 13

Cash Flows Under a Lease

- Compare the Internal Rate of return (IRR) and Net Present Value (NPV) Methods of Evaluating Leasing Costs
 - Identify Three Major Reason for the Popularity of Leasing

Week 14

- Presentations of the Project

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