



# University of Management and Technology

## **School of Business and Economics**

Course Title: Business Finance  
Course Code:  
Department: Finance

### **SBE Vision**

SBE envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. SBE will lead by providing professionally competent and ethically conscious human resources engaged in the global and local context to foster socio-economic growth and sustainability for the society. SBE envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **SBE Mission**

Being a research-oriented and student-centric business school, we emphasize research publications in impact journals as well as state-of -the-art learning methodologies. We will prepare our students to become the future ethical business leaders and the guiding post for the society, while equipping them with the knowledge and skills required by world-class professionals. We will be the leading choice for organizations seeking highly talented human resource. SBE will foster internationalization with key stakeholders and actively work to exchange best practices with business schools across Pakistan through collaborations, workshops, conferences and other means.

## **Program Objectives**

Critical Thinking and Decision Making; Effective Communication Skills; Ethics and Sustainability; Core Business Knowledge and Competence; Effective Teamwork and Leadership Skills; Global Perspective (Internationalization).

## **Course Objectives**

Learning financial management is about constructing a conceptual framework and changing your views to build understanding. This course provides a foundation to help you understand deeper issues and to develop expertise. A variety of learning materials and opportunities to practice basic concepts underlie the design of this course. You are encouraged to discover, collaborate and regulate learning at your own pace from multiple sources of information provided. This course will encourage you to think critically about issues in financial management. A mixture of individual and collaborative work will help you to take advantage of peer expertise and produce feedback opportunities that would not be possible otherwise.

## **Learning Objectives**

The aim of this course is to familiarize the participants with basic principles of finance and their effect in business environment.

This is a basic course of finance for BBA program. The main aim of this course is to prepare participants to understand the language of finance, the corporate objective and basic terminologies of Finance. After studying this course, the participants should be able:

- ✓ To understand the basic concepts and principles used in Finance
- ✓ To understand how the financial market and banking system work in terms of internationalization
- ✓ To understand how to manage environmental and social risks
- ✓ To understand the significance of ethical decision making in the financial world
- ✓ To interpret financial statements of a company and thereafter perform financial analysis
- ✓ To calculate present and future value of money

## **Learning Outcomes**

When the student has covered the various topics in the course, they will achieve the following learning outcomes:

- ✓ Students will be able to understand the role of financial managers in corporations and the role of corporate governance.

- ✓ The student will be able to assess the difference between cash flows and income, and perform cash flow valuations.
- ✓ Students will be able to identify the purpose of each financial statement and conduct a basic analysis.
- ✓ Determine the cost of financial assets.
- ✓ Identify and calculate time value of money and its various aspects.
- ✓ Identify and calculate return and risk methodologies.

### **Teaching Methodology**

Interactive Classes

Case based teaching

Class activities

Applied Projects

Experiential Learning

### **STUDENTS ARE REQUIRED TO READ AND UNDERSTAND ALL ITEMS OUTLINED IN THE PARTICIPANT HANDBOOK**

#### **Class Policy:-**

- **Be On Time**  
You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent.
- **Mobile Policy**  
**TURN OFF YOUR MOBILE PHONE!** It is unprofessional to be texting or otherwise.
- **Email Policy**  
**READ YOUR EMAILS!** You are responsible if you miss a deadline because you did not read your email.  
Participants should regularly check their university emails accounts regularly and respond accordingly.
- **Class Attendance Policy**  
A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise they could reach short attendance.
- **Withdraw Policy**

Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded “F” grade which shall count in the GPA.

- **Moodle**

UMT –LMS (Moodle) is an Open Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umt.edu.pk/moodle>. For further query send your queries to [moodle@umt.edu.pk](mailto:moodle@umt.edu.pk)

- **Harassment Policy**

Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.

- **Use of Unfair Means/Honesty Policy**

Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.

- **Plagiarism Policy**

All students are required to attach a “Turnitin” report on every assignment, big or small. Any student who attempts to bypass “Turnitin” will receive “F” grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat “Turnitin”, he/she will receive a second “F” that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.

- **Communication of Results**

The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. It is the responsibility of the course instructor to keep the participants informed about his/her progress during the semester. The course instructor will inform a participant at least one week before the final examination related to his or her performance in the course.

## **RECOMMENDED TEXT:**

Fundamentals of Financial Management by Brigham & Houston, 12th Edition

## **SUPPLEMENTARY TEXT:**

- Essentials of Finance by Ross, Jordan & Westerfield (10th Edition)
- Principles of Finance by Scott Besley and Eugene Brigham
- Principles of Managerial Finance by Lawrence J. Gitman (11<sup>th</sup> Edition).
- Fundamentals of Corporate Finance by Brealey, Myers, Marcus (Latest)

## **Classroom Behavior:**

- Mobile phones should be turned off or in flight mode
- Class participation is necessary

## **Participant Responsibilities:**

- **No late assignment or quiz retakes will be entertained**
- **Keep yourself up to date with any changes appearing on the course moodle page**

## **Grade Evaluation Criteria**

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

Quizzes	10%
Assignments and Case Studies	10%
Projects	10%
Midterm	30%
Final Exam	40%
<b>Total</b>	<b>100%</b>

**Course Outline**

Course code...FN 340

Course title...Business Finance

Program	Undergraduate
Credit Hours	3
Duration	4 months
Prerequisites (If any)	Fundamentals of Accounting
Resource Person Name and Email	
Counseling Timing (Room# 3N9 )	
Contact no.	
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	NA

**Chairman/Director Programme signature.....Date.....**

**Dean's signature.....Date.....**

**Course:**Business Finance **Course code:** FN 340 **Book:** Fundamentals of Financial Management 12Ed by Brigham & Houston

No	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	Teaching Method	Assessment Criteria	Deadlines and Homework
1	<b>An overview of Finance (Chapter 1)</b>	Understand the financial concepts associated with financial management and good governance and financial ethics.	Students will be able to understand the role of financial managers in corporations and the role of corporate governance.	Lecture and discussion	Assignment	Within a Week
2	<b>International Financial Markets and Banking System (Chapter 2)</b>	How does the financial market and banking system work in terms of internationalization?	After this lecture students will be able to perform valuations on financial bond instruments to assess the most viable investment bond options available.	Lecture and Case Study/Documentary	Assignment+ Quiz	Within a Week
3	<b>Overview of Financial Statements (Chapter 3)</b>	Modifying Accounting data for Managerial Decisions	The student will be able to assess the difference between cash flows and income.	Lecture and Case Study Project on the KSE Index stocks	Assignment+ Quiz	Within a Week
4	<b>Calculating Cash Flows (Chapter 3)</b>	Calculation of NOWC, NCF, NOPT, OCF, MVA, EVA, ETC.	They will be able to perform cash flow valuations.	Lecture and Case Study with Excel Applications	Assignment+ Quiz	Within a Week
5	<b>Analysis of Financial Statements (Chapter 4)</b>	Develop an Understanding with Stockholder's Report. Common size balance sheets	Students will be able to understand the purpose of each financial statement in	Lecture and Case Study	Assignment + Quiz	Within a week

		and income statements Fundamentals of using Financial Ratios Liquidity Ratios Activity Ratios Debt Ratios Profitability Ratios	the annual report.			
6	<b>Analysis of Financial Statements (Chapter 4)</b>	Market Ratios A complete Ratio analysis DuPont System of Analysis Uses and limitations of Ratio Analysis	Be able to calculate and interpret the final aspects of financial statement analysis, and understand the advantages and disadvantages of ration analysis.	Lecture and articles	Assignment+ Quiz	Within a Week
7	<b>The Cost of Money (Chapter 6)</b>	Factors that Effects the Cost Of Money. Interest Rates Fundamentals The Determinants of Market Interest Rate.	Students will be able to understand how cost of different financial assets are calculated	Lecture and articles	Assignment	Within a Week
8	MIDTERM					
9	<b>Time Value of Money (Chapter 5)</b>	Role of time Value of Money in Finance. Concept of Future and Present Value. Concept of Single Amount Present and Future Value of a Single amount.	Students will be able to calculate the time value effects in all financial situations and be able to evaluate the outcomes based on present value and/future values of cash flows	Lecture and articles	Assignment+ Quiz	Within a Week
10	<b>Time Value of Money (Chapter 5)</b>	Present & Future value of Annuities Future & Present values of Mixed streams	Students will be able to calculate the time value effects in all financial situations and be able to	Lecture and articles	Assignment+ Quiz	Within a Week

		Compounding Interest Loan Amortization	evaluate the outcomes based on present value and/future values of cash flows			
11	<b>Risk and Return (Chapter 8)</b>	Investment returns, expected rate of return Stand alone risk: standard deviation & CV Risk aversion and required returns	Students will be able to calculate the risk and return of individual assets	Lecture and articles	Assignment+ Quiz	Within a Week
12	<b>Risk and Return (Chapter 8)</b>	Portfolio risk: Diversifiable vs. Market. Security Market Line and CAPM.	Students will be able to calculate the risk and return of portfolios and the role of the market in risk and return.	Lecture and articles	Assignment+ Quiz	Within a Week
13	<b>Sustainability and Ethics</b>	How to manage environmental and social risks? How to identify and take advantage of environmental business opportunities? What is the significance of ethical decision making in the financial world?	Be able to address sustainability issues in finance and identify viable solutions for this. Identify the significance of ethical decision making in an increasingly complex market.	Lecture and articles	Assignment+ Quiz	Within a Week
14	Presentations					
15	Revision					