



University of Management and Technology

School of Business and Economics

Course Title: Corporate Finance
Course Code: FN-590/496
Resource Person: Abdul Rafay
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.

Course Objectives

From time to time, the managers of all businesses often find themselves facing financial decisions. Learning corporate finance is about constructing a conceptual framework through coverage of basic financial decision making process. The goal of this course is to discuss the role of financial managers in today's complex business environment and to understand deeper issues 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. The instructor is hopeful that this course will encourage you to think critically about issues in corporate financial management.

Learning Objectives

- ⇒ To understand the role of Financial Manager in financial decision making
- ⇒ To understand the various sources of Finance
- ⇒ To understand the significance and use of WACC
- ⇒ To overview the concepts of Risk & Returns in Portfolio Management
- ⇒ To understand the essentials of Working Capital Management

- ⇒ To determine the leverage & capital structure of the organization
- ⇒ To understand the basics of Capital budgeting Decisions

Learning Outcomes

Ability to understand

- ⇒ the purpose of Corporate Financial Decisions
- ⇒ the purpose of Net Present Value, IRR and other CB Techniques
- ⇒ Corporate Restructuring
- ⇒ The structure of Current Assets and liabilities Management

Teaching Methodology

Class discussions from prescribed readings, Problem Solving, Applications of concepts using case study analysis wherever required

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.
- **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.

Grade Evaluation Criteria

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

Marks Evaluation	Marks in percentage
Quizzes/Assignments/Project (if any)	20%
Mid Term	30%
Attendance & Class Participation	05%
Final exam	45%
Total	100%

Recommended Text Books:

- ⇒ Corporate Finance Fundamentals (Latest Edition)
Ross/Westerfield /Jordon
Mc-Graw Hill, Inc., USA

Reference Books:

- ⇒ Fundamentals of Corporate Finance (Latest Edition)
Brealey, Myers, Marcus
Mc-Graw Hill, Inc., USA

SCHEDULE OF LECTURES

Week	Topics
1-2	Corporate Finance Fundamentals
3	Equity Valuation
4	Debt Valuation
5	Weighted Average Cost of Capital
6	Capital Budgeting Decisions
7	Dividend Policy
8	Account Receivable Management
9	Accounts Payable Management
10	Cash Management
11-12	Risk, Return and Portfolio Management
13	Raising Capital through IPOs
14	Financial Distress
15	Corporate Restructuring