**FN-545 Managerial Finance**

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| Resource Person: | Dr. Muhammad Ather Ashraf |
| Email: | [ather.ashraf@umt.edu.pk](mailto:ather.ashraf@umt.edu.pk)  UOL.PHD.1@outlook.com |
| Contact Hours: | Friday 4:00 pm to 6:00 pm |
| Office Address: | 3S40 |
| Programme: | MBA (Ev) |
| Section: |  |
| Semester: | Fall 2021 |
| Course Pre-requisites: | Business Finance |
| Credit Hours: | 3 |
| Course Type: | Theoretical |
| Venue/Day/Time: | Friday 06:30PM to 09:15PM |
| Course URL (if any): |  |

**HSM Vision**

“Developing holistic leaders having the capability to transform and influence the society at large through knowledge acquired from the management school.”

**HSM Mission**

“Our Mission is underpinned by two facets: The development of those who create value for institutions and business organizations. We accomplish this through our degree programs (BBA, BS, and MBA, MS). We also seek to develop scholars who can generate and disseminate cutting edge knowledge. We accomplish this through our faculty research and PhD programs. This mission is realized by motivating students and faculty to pursue excellence within an all-inclusive environment, built upon equitable actions, trust, mutual respect, and unwavering transparent integrity.”

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| **Course Description:** |
| The course aims to provide students with an understanding of finance theory and the ability to implement effective financial strategies. It will develop in students the abilities to use various financial models and tools for economic decision-making, and they will gain expertise in financial decision making of businesses in an environment for investments, credit, business and management decisions. The course integrates ethics, internationalization and sustainability within the context of finance. |

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| **Course Teaching Methodology:** |
| Interactive Classes  Case based teaching  Class activities  Experiential Learning  Applied Projects |

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| **Programme Educational Objectives (POs):** | |
| PEO-1 | To inculcate reasoning, critical analytical, and decision-making skills. |
| PEO-2 | To provide real-life work experiences and promote out of the box thinking and value in looking things from different perspectives. |
| PEO-3 | To develop future leaders, managers, and entrepreneurs who can dare to pursue their own dreams and develop life-long learning skills in the broader context of innovation and technological developments and also realize the importance and implementation of learn, unlearn and relearn philosophy necessary to excel in business and management. |
| PEO-4 | To ignite the passion for entrepreneurship. |
| PEO-5 | To expose students to the important moral, social, and economic issues and related principles of ethics to resolve them. |
| PEO-6 | To develop strong communication skills in graduates who can lead and manage a team or an organization by understanding people side of an organization. |

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| **Programme Learning Outcomes (PLOs):**  **After completing this degree programme, students shall be able to:** | | |
|  | | **Mapping the PLOs with POs** |
| PLO-1 | Critically analyze complex business situations and make appropriate decisions. | PEO-1,PEO-3, PEO-5 |
| PLO-2 | Work under pressure and successfully negotiate with the challenging work demands. | PEO-2 |
| PLO-3 | Apply organizational theories, models, and frameworks to the real-world business situations to solve managerial issues. | PEO-1, PEO-2 |
| PLO-4 | Communicate effectively and efficiently and deliver professional business presentations. | PEO-6 |
| PLO-5 | Analyze and evaluate market opportunities and develop viable business plans. | PEO-4 |
| PLO-6 | Use digital technologies and data analytics tools to make informed decisions. | PEO-1, PEO-3 |

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| **Course Objectives (COs)** | |
| CO-1 | To understand & analyze capital markets and various financial instruments |
| CO-2 | To understand the different financial tools for effective investment analysis |
| CO-3 | To analyze cash flows and different methods of firm valuation |
| CO-4 | Understand the financial concepts behind present value, future value, annuities, perpetuities, and loan amortization |
| CO-5 | Learn the techniques of stock valuation and be able to assess the value and performance of bonds. |
| CO-6 | To understand financial problems and their impacts and to be able to effectively communicate financial solutions and alternatives. |

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| **Course Learning Outcomes (CLOs):**  **After completing this course, students shall be able to:** | | |
|  | | **Mapping the CLOs with PLOs** |
| CLO-1 | Be able to understand the environment of financial markets | PLO-4 |
| CLO-2 | Be able to conduct efficient valuation of financial instruments analysis. | PLO-4 |
| CLO-3 | Be able to analyze firm risk through the assessment of the firm’s cost of capital. | PLO-6 |
| CLO-4 | Be able to make efficient capital budgeting decisions. | PLO-6 |
| CLO-5 | Be able to make sensible investment decisions. | PLO-6 |

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| **Assurance of Learning and Assessment Items:**  *Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs* | |
| **Assessment Item** | **Application/ Objectives**  **PLO / CO / CLO** |
| Quiz/Assignment/Project | **PLO-4 & 6 / CO-1 to 6 / CLO-1 to 5** |
| Mid Term | **PLO-4 & 6 / CO-1 to 3 / CLO-1 to 3** |
| Final examinations | **PLO-4 & 6 / CO-4 to 6 / CLO-2 to 5** |
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| **Assessment Structure and Grading Policy\*:** | | |
| **Assessment Item** | **Weight (%)** | **Execution Plan** |
| Quiz/Assignment/Project/Activities | 30 | Multiple assessments |
| Mid-term exam | 30 | One-time assessment |
| Final exam | 40 | One-time assessment |
| **Total** | **100** |  |
| **Notes – Norms and Important Class Policies:**  *(such as submission guidelines, academic honesty, make-up policy, code of conduct)*   * 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 * 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. | | |

*\*Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

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| **Weekly Sessions Plan:** | | | |
| **Week** | **Topics / Contents** | **Activity** | **Application/Objectives**  **PLO / CO / CLO** |
| 1-2 | * Course Outline * Introduction * Time Value Money * Present value * Future value * Annuities * Perpetuities * Loan Amortization | Assignment | PLO-1/CO-1&2/CLO-1&2 |
| 3-4 | Bonds and their valuation   * Bond valuation * Yield to maturity * Calls, puts * Other options | Quiz | PLO-2/CO-2/CLO-2 |
| 5-6 | Stocks and their valuations   * Stock valuation * DCF method * Constant growth stocks * TV method * Legal rights and privileges of common stockholders * Types of common stock, stock market equilibrium, * Non-constant growth stocks * Preferred stock | Assignment | PLO-3/CO-3/CLO-3 |
| 7,9,10 | Determining the cost of capital   * Weighted average cost of capital * Cost of debt * Cost of preferred stock * Cost of common stock * Cost of retained earnings * CAPM | Assignment | PLO-3/CO-3&4/CLO-3&4 |
| 8 | Mid Term |  |  |
| 11,12,13 | Capital budgeting decision criteria   * Importance of capital budgeting. * Cash flow calculations. * Capital budgeting decision rules. * Payable period, NPV, IRR, * MIRR, NPV vs IRR. * Optimal Capital Structure * Capital Rationing | Mid Term | PLO-4/CO-5/CLO-5 |
| 14 | International finance   * Introduction to international finance | Quiz | PLO-4/CO-5/CLO-5 |
| 15 | Sustainability, Ethics& Bankruptcy   * Sustainability in finance and bankruptcy issues | Assignment | PLO-5/CO-6/CLO-6 |
| 16 | Final Term Examination |  |  |

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| **Primary Text Book (s):** |
| * Principles of Managerial Finance by Lawrence J. Gitman (14th Edition). |

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| **Reference / Supplementary Reading (s):** |
| * Fundamentals of Financial Management by Brigham & Houston, 12th Edition * Essentials of Finance by Ross, Jordan & Westerfield (10th Edition) * Principles of Finance by Scott Besley and Eugene Brigham |

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| **Useful Online / Web Resources:** |
| * www.psx.com.pk * hbr.org |