



# University of Management and Technology

## **Dr Hasan Murad School of Management (HSM)**

Course Title:	Financial Management
Course Code:	FN 550
Resource Person	
Department	Banking and Finance

### **HSM Vision**

HSM envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. HSM 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. HSM envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **HSM 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. HSM 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**

### **Course Objectives**

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.

### **Learning Objectives**

- To understand & analyze capital markets and various financial instruments
- To understand the different financial tools for effective investment analysis
- To analyze cash flows and different methods of firm valuation
- Understand the financial concepts behind present value, future value, annuities, perpetuities, and loan amortization

- Learn the techniques of stock valuation and be able to assess the value and performance of bonds.

### **Learning Outcomes**

On successful completion of this course, students will:

- Be able to make sensible investment decisions
- Be able to conduct efficient valuation of financial instruments analysis
- Be able to analyze firm risk through the assessment of the firm's cost of capital
- Be able to make efficient capital budgeting decisions.

### **Teaching Methodology**

Interactive Classes

Case based teaching

Class activities

Experiential Learning

Applied Projects

### **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.

**Course Outline**

Course code...FN 550

Course title...Financial Management

Program	MBA
Credit Hours	3
Duration	4 months
Prerequisites (If any)	
Resource Person Name and Email	
Counseling Timing (Room# )	
Contact no.	042-5212801-10
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	NA

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

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

### **Grade Evaluation Criteria**

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

Quizzes	15%
Assignments and Case Studies	10%
Project& Presentation	15%
Class Participation	5%
Midterm	25%
Final Exam	30%
<b>Total</b>	<b>100%</b>

### **Recommended Text Book:**

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

### **Reference Book & Other Material**

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).

No	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	Teaching Method	Assessment Criteria	Deadlines and Homework
1-2	Time value of money	Understand the financial concepts behind present value, future value, annuities, perpetuities, and loan amortization	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	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Assignment	To be announced in class
3-4	Bonds and their valuation	How to assess the value and performance of bonds?	After this lecture students will be able to perform valuations on financial bond instruments to assess the most viable investment bond options available	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Assignment+ Quiz	To be announced in class
5-6	Stocks and their valuations	Stock valuation; DCF method; Constant growth stocks; Terminal Value method; Legal rights and privileges of common stockholders; Types of common stock, stock market equilibrium,	The student will be able to assess the value and performance of stocks with various growth patterns and analyze stocks listed on the Karachi Stock Exchange and	Prescribed readings, class discussions and applications of concepts using	Assignment+ Quiz Project on the KSE Index stocks	To be announced in class

		Non-constant growth stocks and Preferred stock	other global indeces	numerical problems and local & International case studies wherever required		
7-8	Determining the cost of capital	What are the components of weighted average cost of capital WACC?	Be able to calculate the cost of debt financing, cost of equity financing and cost of preferred cost and the total weighted average cost of capital of firms and evaluate the risks	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Assignment+ Quiz	To be announced in class
9-10	Capital budgeting decision criteria	How to evaluate projects and related risks and to use the most appropriate methods to arrive at the best project?	Model selection: NPV, IRR, Payback, MIRR and best project selection based on capital budgeting decision rules.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Assignment + Quizz	To be announced in class
11-12	<b>International finance</b>	What is international finance? What are the related issues?	Be able to distinguish between multinational versus domestic financial management and understand	Prescribed readings, class discussions and	Research	To be announced in class

			international financial monetary system and issues related to trading on foreign exchange	applications of concepts using numerical problems and local & International case studies wherever required		
13	<b>Sustainability &amp; Ethics</b>	How to manage environmental and social risks? How to identify and take advantage of environmental business opportunities? What matters need to be addressed with regard to business ethics in finance.	Be able to address sustainability issues in finance and identify viable solutions for this. To be able to implement financial practices within ethics	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Assignments,	To be announced in class
14-15	Bankruptcy	What is bankruptcy, reorganization and liquidation?	Be able to assess whether firms are facing bankruptcy issues and financial distress.	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Articles/Case Study Discussions	To be announced in class