Dr Hasan Murad School of Management (HSM)

Course Title: Managerial Finance
Course Code: FN 545
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
BRIEF COURSE DESCRIPTION:

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

Learning Outcomes

Teaching Methodology (List methodologies used –example are given below)
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

- ## 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:

- Principles of Managerial Finance by Lawrence J. Gitman (11th Edition).

SUPPLEMENTARY TEXT:

- Essentials of Finance by Ross, Jordan & Westerfield (10th Edition)
- Fundamentals of Financial Management by Brigham & Houston, 12th Edition
- Principles of Finance by Scott Besley and Eugene Brigham
- 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	15%
Assignments	10%
Class Activity	10%
Midterm	30%
Final Exam	35%
Total	**100%**

Calendar of Activities

Session	TOPIC	Discussion Topics
1	Time value of money	- Present value - Future value - Annuities - Perpetuities - Loan Amortization
2,3	Bonds and their valuation	- Bond valuation - Yield to maturity - Calls, puts - Other options
4,5,6	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
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
8	Mid-Term Examination	
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
14	International finance	Introduction to international finance
15	Sustainability & Bankruptcy	Sustainability in finance and bankruptcy issues

Course: Managerial Finance **Course code: FN 450 Book:** Fundamentals of Financial Management 13Ed by Brigham & Ehrhardt

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	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	Financial Calculator and Excel	Assignment	Within a Week
2	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 .	Lecture and Case Study	Assignment+ Quiz	Within two Weeks
3	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, Non-constant growth stocks and Preferred stock	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 other global indeces	Lecture and Case Study Project on the KSE Index stocks	Assignment+ Quizz	Within three Weeks
4	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	Lecture and Case Study with Excel	Assignment+ Quiz	Within three Weeks

			preferred cost and the total weighted average cost of capital of firms and evaluate the risks	Applications		
5	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.	Lecture and Case Study	Assignment + Quizz	Within three weeks
6	International finance	What is international finance? What are the related issues?	Be able to distinguish between multinational versus domestic financial management and understand international financial monetary system and issues related to trading on foreign exchange	Lecture and articles	Articles discussions	Within a Week
7	Sustainability	How to manage environmental and social risks? How to identify and take advantage of environmental business opportunities.	Be able to address sustainability issues in finance and identify viable solutions for this.	Lecture and articles	Articles discussions	Within a Week
8	Bankruptcy	What is bankruptcy, reorganization and liquidation?	Be able to assess whether firms are facing bankruptcy issues and financial distress.	Lecture and articles	Articles discussions	Within a Week