



University of Management and Technology

BBA-FN340 Business Finance

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| Resource Person: | |
| Email: | |
| Contact Hours: | |
| Office Address: | |
| Programme: | BBA |
| Section: | D |
| Semester: | FALL 2022 |
| Course Pre-requisites: | Fundamentals of Accounting |
| Credit Hours: | 3 |
| Course Type: | Introductory Course in the field of Finance |
| Venue/Day/Time: | |
| Course URL (if any): | |

Course Description:

The course introduces the key concepts of Finance to the students. By teaching the students time value of money, risk and return analysis, cash flow analysis, capital budgeting techniques, asset allocation, and diversification and the capital asset pricing model, the course help to align student thought processes so that they can understand and delve into deeper concepts of finance. Since this is the first course in the sequence of finance subjects offered and it develops the mindset for understanding financial concepts it is suitable not only for students wishing to pursue further studies in finance but also for students from other disciplines who are interested in a single course in finance.

Course Teaching Methodology:

The course will boost student learning and interest by having:

- Interactive Classes
- Case-based teaching
- Class activities
- Applied Projects

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| Programme Educational Objectives (POs): | |
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| PO-1 | To develop effective Teamwork and Leadership Skills |
| PO-2 | To inculcate Critical Thinking and effective Decision Making skills |
| PO-3 | To develop Effective Communication Skills |
| PO-4 | To polish Core Business Knowledge and Competence |
| PO-5 | To expose and inculcate Ethical Behavior and Social Responsibility |
| PO-6 | To provide real-life work experiences. |
| PO-7 | To provide global perspectives. |

| Programme Learning Outcomes (PLOs): | | |
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| After completing this degree programme, students shall be able to: | | |
| | | Mapping the PLOs with POs |
| PLO-1 | Work effectively in teams and understand group processes, leadership, conflict, power and culture in organization. | PO1, PO5, PO6 |
| PLO-2 | Use analytical and reflective thinking techniques. | PO2, PO4, PO6 |
| PLO-3 | Apply appropriate quantitative and qualitative techniques in solving business problems. | PO2, PO3, PO4, PO5, PO6 |
| PLO-4 | Draft effective business documents and prepare and deliver effective oral business presentations using the variety of appropriate technologies. | PO1, PO3, PO6 |
| PLO-5 | Demonstrate competency in the underlying concepts, theory and tools taught in the core undergraduate curriculum. | PO4, PO5, PO6, PO7 |
| PLO-6 | Identify and analyze ethical conflicts and social responsibility issues involving different stakeholders. | PO5, PO6 |
| PLO-7 | Understand the dynamics of industry and understand business as an integrated system and apply strategic planning tools. | PO2, PO3, PO6 |
| PLO-8 | Identify and analyze relevant global factors that influence decision making in an international business setting. | PO6, PO7 |

| Course Objectives (COs) | |
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| CO-1 | To understand the basic concepts and principles used in Finance |
| CO-2 | To understand how the financial market and banking system work in terms of internationalization |
| CO-3 | To understand how to manage environmental and social risks |
| CO-4 | To understand the significance of ethical decision making in the financial world |
| CO-5 | To interpret financial statements of a company and thereafter perform financial analysis |
| CO-6 | To calculate the present and future value of money |

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| Course Learning Outcomes (CLOs): After completing this course, students shall be able to: | | |
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| | | Mapping the CLOs with PLOs |
| CLO-1 | Students will be able to understand the role of financial managers in corporations and the role of corporate governance. | PLO1, |
| CLO-2 | The student will be able to assess the difference between cash flows and income and perform cash flow valuations. | PLO2 and PLO3 and PLO4 |
| CLO-3 | Students will be able to identify the purpose of each financial statement and conduct basic analysis. | PLO5 and PLO6 |
| CLO-4 | Determine the cost of financial assets. | PLO5 and PLO 7 |
| CLO-5 | Identify and calculate the time value of money and its various aspects. | PLO5,PLO7 and PLO8 |
| CLO-6 | Identify and calculate return and risk methodologies. | PLO8 |

| Assurance of Learning and Assessment Items: <i>Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs</i> | |
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| Assessment Item | Application/ Objectives PLO / CO / CLO |
| Quizzes | CLO1, CLO2, CLO3, CLO4, CLO5, CLO6 |
| Assignments and Case Studies | CLO1, CLO2, CLO3, CLO4, CLO5, CLO6 |
| Projects | CLO2, CLO3, CLO4, CLO5, CLO6 |
| Midterm | CLO1, CLO2, CLO3 |
| Final exam (comprehensive) | CLO1, CLO2, CLO3, CLO4, CLO5, CLO6 |

| Assessment Structure and Grading Policy*: | | |
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| Assessment Item | Weight (%) | Execution Plan |
| Assignments/ Class activities | 10 | 3 Assignments & 1 class activity each 10 (average) |
| Quizzes | 10 | 4 Quiz each 10 |
| Project & Presentation | 20 | Project submission & each Class Presentation (All students' participation is mandatory) |
| Mid-term exam | 25 | One-time assessment |
| Final exam | 35 | One-time assessment |
| Total | 100 | |
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| <p>Notes – Norms and Important Class Policies: <i>(such as submission guidelines, academic honesty, make-up policy, code of conduct)</i></p> <ul style="list-style-type: none"> • Be OnTime • Mobile Policy • Email Policy • Class Attendance Policy • Withdraw Policy • Moodle | <ul style="list-style-type: none"> • You need to be in class at the assigned time. After 10 minutes past the assigned time, you will be marked absent. • TURN OFF YOUR MOBILE PHONE! It is unprofessional to be texting or otherwise. • 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. • 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 a grade 'F' (Fail) and will not be allowed to take end-term exams. International students who will be leaving for a visa during the semester should not use any days off except for visa trips. Otherwise, they could reach short attendance. • 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 an "F" grade which shall count in the GPA. • 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 |
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| <ul style="list-style-type: none"> • Harassment Policy • Use of Unfair Means/Honesty Policy • Plagiarism Policy • Communication of Results. | | <p>moodle, visit http://oit.umt.edu.pk/moodle. For further query send your queries to moodle@umt.edu.pk</p> <ul style="list-style-type: none"> • Sexual or any other harassment is prohibited and is constituted as a punishable offense. 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. • Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action. • All students are required to attach a “Turnitin” report on every assignment, big or small. Any student who attempts to bypass “Turnitin” will receive an “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 a 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. • 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. |
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**Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

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| Weekly Sessions Plan: | | | |
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| Week | Topics / Contents | Activity | Application/Objectives PLO / CO / CLO |
| 1 | An overview of Finance (Chapter 1) Understand the financial concepts associated with <ul style="list-style-type: none"> • financial management • good governance • financial ethics. | Lecture Discussion Assignment | CLO-1 |
| 2 | International Financial Markets and Banking System (Chapter 2) <ul style="list-style-type: none"> • Understand how the financial market and banking system works in terms of internationalization? • Perform valuations of financial bond instruments • Assess the most viable investment bond options available | Lecture Case Study Documentary Quiz Assignment | CLO-2 |
| 3 | Overview of Financial Statements (Chapter 3) <ul style="list-style-type: none"> • Modify Accounting data for Managerial Decisions • Assess the difference between cash flows and income | Lecture Case Study Project on the PSX Index stocks Assignment | CLO-2 CLO-3 |
| 4 | Calculating Cash Flows (Chapter 3) <ul style="list-style-type: none"> • Calculate NOWC, NCF, NOPT, OCF, MVA, EVA, etc. • Perform cash flow valuations | Lecture Case Study with Excel Applications Assignment Quiz | CLO-2 |
| 5 | Analysis of Financial Statements (Chapter 4) <ul style="list-style-type: none"> • Develop an Understanding with Stockholder's Report • Make Common size balance sheets income statements | Lecture Case Study Assignment Quiz | CLO-3 |

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| | <ul style="list-style-type: none"> Understand the fundamentals of using Financial Ratios. Calculate Liquidity Ratios, Activity Ratios, Debt Ratios, and Profitability Ratios | | |
| 6 | Analysis of Financial Statements (Chapter 4) <ul style="list-style-type: none"> Calculate the Market Ratios Analyze entities using Ratio analysis Apply DuPont System of Analysis Uses and limitations of Ratio Analysis | Lecture Articles Assignment Quiz | CLO-3 |
| 7 | The Cost of Money (Chapter 6) <ul style="list-style-type: none"> Understand the factors that affect the Cost Of Money. Understand Interest Rates Fundamentals Understand the determinants of Market Interest Rate. Calculate the cost of different financial assets | Lecture Articles Assignment | CLO-4 |
| 8 | Midterm | | CLO1, CLO2, CLO3 |
| 9 | Time Value of Money (Chapter 5) <ul style="list-style-type: none"> Understand the role of Time Value of Money in Finance. Understand the difference between Future and Present Value. Calculate the Present and Future Value of a Single amount. Evaluate the outcomes based on the present value and/future values of cash flows | Lecture Articles Assignment Quiz | CLO-5 |
| 10 | Time Value of Money | Lecture | CLO-5 |

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| | <p>(Chapter 5)</p> <ul style="list-style-type: none"> • Calculate the Present & Future Value of Annuities • Calculate the Future & Present Values of Mixed streams • Understand and use Compounding Interest • Understand and apply Loan Amortization principles | <p>Articles Assignment Quiz</p> | |
| 11 | <p>Risk and Return (Chapter 8)</p> <ul style="list-style-type: none"> • Understand Investment returns, and the associated expected rate of return • Calculate the Stand-alone risk: standard deviation & CV • Apply Risk aversion concepts to calculate the required returns • Calculate the risk and return of individual assets | <p>Lecture Articles Assignment</p> | CLO-6 |
| 12 | <p>Risk and Return (Chapter 8)</p> <ul style="list-style-type: none"> • Understand Portfolio risk. • Differentiate between Diversifiable and Market risk • Find the Security Market Line and CAPM. • Calculate the risk and return of portfolios and the role of the market in risk and return | <p>Lecture Articles Assignment Quiz</p> | CLO-6 |
| 13 | <p>Sustainability and Ethics</p> <ul style="list-style-type: none"> • 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? | <p>Lecture Articles Assignment</p> | CLO-1 CLO-6 |

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| | <ul style="list-style-type: none"> Identify the significance of ethical decision-making in an increasingly complex market. | | |
| 14 | Presentations | | CLO2, CLO3, CLO4, CLO5, CLO6 |
| 15 | Revision | | CLO1, CLO2, CLO3, CLO4, CLO5, CLO6 |
| 16 | | | |
| 17 | Final Term Examination | | CLO1, CLO2, CLO3, CLO4, CLO5, CLO6 |

Primary Text Book (s):

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

Reference / Supplementary Reading (s):

- Essentials of Finance by Ross, Jordan & Westerfield (10th Edition)
- Principles of Finance by Scott Besley and Eugene Brigham
- Fundamentals of Financial Management by Brigham & Houston, 12th Edition
- Fundamentals of Corporate Finance by Brealey, Myers, Marcus (Latest)

Useful Online / Web Resources:

- <https://investopedia.com/>
- secp.gov.pk
- khistocks.com