



University of Management and Technology

## FN-440 Financial Management

Resource Person:	
Email:	
Contact Hours:	
Office Address:	
Programme:	BBA(H)
Section:	B
Semester:	Fall 2022
Course Pre-requisites:	Business Finance
Credit Hours:	3
Course Type:	Theoretical
Venue/Day/Time:	
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.

### **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

## University of Management and Technology

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.

### Course Teaching Methodology:

Interactive Classes  
 Case based teaching  
 Class activities  
 Experiential Learning  
 Applied Projects

### Programme Educational Objectives (POs):

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):

**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

## University of Management and Technology

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	Graduates should be able to understand the dynamics of industry and understand business	PO2, PO3, PO6
PLO-8	Graduates should be able to identify and analyze relevant global factors that influence	PO6, PO7

### 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.

### 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

### 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

## University of Management and Technology

<b>Assessment Structure and Grading Policy*:</b>		
<b>Assessment Item</b>	<b>Weight (%)</b>	<b>Execution Plan</b>
Class Participation	5	
Quiz/Assignment/Project	30	Multiple assessments
Mid-term exam	30	One-time assessment
Final exam	35	One-time assessment
<b>Total</b>	<b>100</b>	

**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](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.

## University of Management and Technology

- **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.*

<b>Weekly Sessions Plan:</b>			
<b>Week</b>	<b>Topics / Contents</b>	<b>Activity</b>	<b>Application/Objectives PLO / CO / CLO</b>
1-2	<ul style="list-style-type: none"> <li>• Course Outline</li> <li>• Introduction</li> <li>• Time Value Money               <ul style="list-style-type: none"> <li>• Present value</li> <li>• Future value</li> <li>• Annuities</li> <li>• Perpetuities</li> </ul> </li> <li>• Loan Amortization</li> </ul>	Assignment Activities	PLO-1/CO-1&2/CLO-1&2
3-4	Bonds and their valuation <ul style="list-style-type: none"> <li>• Bond valuation</li> <li>• Yield to maturity</li> <li>• Calls, puts</li> <li>• Other options</li> </ul>	Assignment	PLO-2/CO-2/CLO-2
5-6	Stocks and their valuations <ul style="list-style-type: none"> <li>• Stock valuation</li> <li>• DCF method</li> <li>• Constant growth stocks</li> <li>• TV method</li> <li>• Legal rights and privileges of common stockholders</li> <li>• Types of common stock, stock market equilibrium,</li> </ul>	Assignment	PLO-3/CO-3/CLO-3

## University of Management *and* Technology

	<ul style="list-style-type: none"> <li>• Non-constant growth stocks</li> <li>• Preferred stock</li> </ul>		
7,9,10	Determining the cost of capital <ul style="list-style-type: none"> <li>• Weighted average cost of capital</li> <li>• Cost of debt</li> <li>• Cost of preferred stock</li> <li>• Cost of common stock</li> <li>• Cost of retained earnings</li> <li>• CAPM</li> </ul>	Assignment	PLO-3/CO-3&4/CLO-3&4
8	Mid Term		
11,12,13	Capital budgeting decision criteria <ul style="list-style-type: none"> <li>• Importance of capital budgeting.</li> <li>• Cash flow calculations.</li> <li>• Capital budgeting decision rules.</li> <li>• Payable period, NPV, IRR,</li> <li>• MIRR, NPV vs IRR.</li> <li>• Optimal Capital Structure</li> <li>• Capital Rationing</li> </ul>	Mid Term	PLO-4/CO-5/CLO-5
14	International finance <ul style="list-style-type: none"> <li>• Introduction to international finance</li> </ul>	Assignment	PLO-4/CO-5/CLO-5
15	Sustainability, Ethics & Bankruptcy <ul style="list-style-type: none"> <li>• Sustainability in finance and bankruptcy issues</li> </ul>	Assignment	PLO-5/CO-6/CLO-6
16	Final Term Examination		

### Primary Text Book (s):

- Principles of Managerial Finance by Lawrence J. Gitman (14th Edition).

### 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

### Useful Online / Web Resources:

- [www.psx.com.pk](http://www.psx.com.pk)
- [hbr.org](http://hbr.org)