

Institute of Administrative Sciences
Faculty of Business, Economics, and Administrative Sciences
University of the Punjab, Lahore
Course Outline



Programme	BS Management	Course Code	MGT-322	Credit Hours	3
Course Title	Financial Management				
Course Introduction					
Financial management is, in a real sense, the cornerstone of the enterprise system, good financial management is vitally important to the economic health of business firms, and hence to the nation and the world. Because of its importance, finance should be widely and thoroughly understood, but this is easier said than done. The field is relatively complex, and it is undergoing constant change in response to shifts in economic conditions. All of this makes finance stimulating and exciting but also challenging and sometimes perplexing.					
Learning Outcomes					
On the completion of the course, the students will:					
1. Student should understand and be able to compute relevant cost of capital					
2. Student should be able to appraise projects using capital budgeting techniques					
3. Student should be able to analyse and manage the financing decisions					
4. Student should be able to analyse and manage the dividend policy					
5. Student should comprehend the issues in working capital management					
Course Content				Assignments/Readings	
Week 1-2	Unit-I: An Overview of Financial Management Special Review and interpretation of Ratios, Interest Rates, Risk and Rates of Return				
Week 3-5	Unit-II: The Cost of Capital Calculation of cost of debt, cost of preferred stock, cost of equity and WACC				
Week 6-9	Unit-III: The Basics of Capital Budgeting Calculation of cash inflow after depreciation and tax (interim), application of evaluation techniques for capital investment				
Week 10-11	Unit-IV: Capital Structure and Leverage Concept of operating leverage, financial leverage and total leverage, operating breakeven analysis, decision making to decide optimal level of capital structure by making best choices among debt, preferred stock or equity				
Week 12	Unit-V: Dividend Policy Cash dividends, stock dividends, stock split, right shares issue and effect on equity and cash flow of the firm. Making analysis to make decision regarding dividends				

Week 13-14	Unit-VI: Working Capital Management Overall concept of working capital, variable and fixed working capital and its financing, accounts receivable management regarding credit term and credit standard, inventory management reorder level, lead time, safety stock, EOQ and making decision regarding quantity discounts)	
Week 15	Unit-VII: Financial Planning & Forecasting Sales forecasts, forecasted statements for planning purposes, analysing the effect of ratios	
Week 16	Revision	

Textbooks and Reading Material

- Brigham, E.F., & Houston, J.F. (2021), Fundamentals of Financial Management (16th ed.), South-Western Cengage Learning.
- Zutter, C.J. & Smart, S. (2021), Principles of Managerial Finance (16th ed.), Pearson Higher Education.
- Van Horne, J.C. & Wachowicz Jr. J. (2009), Fundamentals of Financial Management (13th ed.), Pearson Higher Education.

Teaching Learning Strategies

This course makes use of interactive teaching and learning strategies which engage students to promote critical and reflective thinking, research and evaluation skills that will help them become better learners and enhance their skill set. Students will use personal and social capability to collaboratively work with others in learning activities, appreciate their own strengths and abilities and those of their peers, enabling them to develop a range of interpersonal skills such as communication, negotiation, teamwork, leadership and an appreciation of diverse perspectives.

Assignments: Types and Number with Calendar

Will be decided by the course instructor

Assessment

Sr. No.	Elements	Weightage	Details
1.	Midterm Assessment	35%	Written Assessment at the mid-point of the semester.
2.	Formative Assessment	25%	Continuous assessment includes: Classroom participation, assignments, presentations, viva voce, attitude and behavior, hands-on-activities, short tests, projects, practical, reflections, readings, quizzes etc.
3.	Final Assessment	40%	Written Examination at the end of the semester. It is mostly in the form of a test, but owing to the nature of the course the teacher may assess their students based on term paper, research proposal development, field work and report writing etc.