

Department: Finance	Program: MBA
Course Name: Financial Management I	Course Code: FIN 601
Pre-requisite: Not Applicable	Credit Hours: 3

Brief Description

This course introduces concepts and analytical techniques that financial managers should use when making investment and financing decisions with the ultimate goal of maximizing the wealth of shareholders. It covers the concepts of time value of money, asset valuation, risk and return paradigm, capital budgeting, financing, and payout decisions. These topics lay the foundation for more advanced finance courses.

Course Objectives

After completion of this course the student will be able to:

- Explain the goals governing a firm's financial decisions
- Perform time-value calculations by using financial mathematics
- Apply various valuation models to value long-term debt, preference shares and ordinary shares
- Explain the importance, role and techniques of capital budgeting in a firm
- Measure risk and return
- Distinguish between diversifiable and non-diversifiable risk
- Use the Capital Asset Pricing Model (CAPM) and apply skills in estimating cost of equity
- Describe the concept of market efficiency and distinguish between different categories of market efficiency
- Explain the effects of financial advantage, and the factors underlying the selection of target capital structures
- Discuss theories and issues related to dividend policy

Course Learning Outcomes

- Distinguish between concepts, principles, and theories of Finance
- Apply the concepts, principles, and theories in different business situations
- Demonstrate written communication skills
- Gain skills of critical thinking and analyse business situations
- Have the skills in strategic thinking and finding solutions in business administration
- Have the ability to distinguish between ethical issues in business administration

Course Topics

- Introduction to managerial finance
- Discounted cash flow valuation
- Firm financial decision

- Time value of money
- Bond and stock valuation
- Risk analysis and measurement
- Cost of equity
- Measure of return
- Market efficiency
- Financial leverage
- Capital structure
- Dividend policy

Text Book

- Ross, S.A., Westerfield, R.W., Jaffe, J., (2019). Corporate Finance, 10th edition. McGraw-Hill Irwin, New York

Additional References

- Brealey, R. A., & Myers, S. C. (2010). Principles of corporate finance (global ed. of 10th rev. ed.). New York, NY: McGraw Hill Higher Education

Online Resources

- Bloomberg Terminal.
- Academic databases available through the University's Library website.

Course Outline

Week	Hours	Topics	Remarks
1	3	Introduction to Corporate Finance	
2	3	Discounted Cash Flow Valuation	
3	3	Net Present Value & Other Investment Rules	
4	3	Making Capital Investment Decisions	
5	3	Interest Rates and Bond Valuation	
6	3	Making Capital Investment Decisions	
7	3	Stock Valuation	
8	3	Midterm exam	
9	3	Risk, Cost of Capital & Valuation	
10	3	Risk & Return: Lessons from Market History, Capital Asset Pricing Model	
11	3	Efficient Capital Markets & Behavioral Challenges	
12	3	Net Present Value & Other Investment Rules	
13	3	Making Capital Investment Decisions	
14	3	Capital Structure: Basic Concepts, Limits to the use of debt	
15	3	Dividends and Other Payouts	

Measurement and Assessment Tools							
Assessment Tools	Grade	Week	Knowledge Identify & apply	Written	Skills Critical Thinking Strategic Thinking		Values Ethics
Midterm Exam	25	9	X				
Case Study	10	12		X	X	X	X
Project	25	15		X	X	X	X
Final Exam	40	TBD	X				
Total	100						
Extra Credits		5	Bloomberg Market Concepts (BMC): BMC is an 8-hour e-learning course that introduces financial markets. It consists of four modules – Economics, Currencies, Fixed Income and Equities. BMC utilizes Bloomberg data, news analytics and serves as a good introduction to Bloomberg. After creating a student account using your university email address, you can access the course—use code: (GJ8MXRZCYH). This course is free if taken from the Bloomberg terminal. Should you elect to take the course online, a student rate of \$149 USD applies. If you want to apply for exemption from the fees, please email the course instructor. You are required to complete the course and answer all questions by the end of Week 15. Upon completion of the course, you will be able to access your certificate of completion under the BMC homepage. You can also cite your participation on your CV via LinkedIn.				

Approved by Department Chair	Date of Approval

Additional Information: Updated every Semester by Course Instructor	
Course Instructor	
Department	
Email	
Office No.	
Extension	
Office Hours	