

Al-Madinah International University (MEDIU)
MQA-01 Document
Area 2: Curriculum Design and Delivery-Foundation Subjects

(7) Fundamentals of Financial Management-BFIN2013

1.	Name of Course		Fundamentals of Financial Management			
2.	Course Code		BFIN2013			
3.	Name(s) of academic staff					
4.	Rationale for the inclusion of the course/module in the programme		<p>Financial management entails planning for the future of a person or a business enterprise to ensure a positive cash flow. It includes the administration and maintenance of financial assets. Besides, financial management covers the process of identifying and managing risks.</p> <p>The primary concern of financial management is the assessment rather than the techniques of financial quantification. Financial management is also referred to as the science of money management. The primary usage of this term is in the world of financing business activities. However, financial management is important at all levels of human existence because every entity needs to look after its finances.</p>			
5.	Semester and Year offered		1/2			
6.	Total Student Learning Time (SLT)	Face to Face			Total Guided and Independent Learning	
	L = Lecture T = Tutorial P = Practical O= Others	L	T	P	O	Guided = 42 Independent = 84 Total = 126
		28	14			
7.	Credit Value		3			
8.	Prerequisite (if any)		Nil			
9.	<p>Objectives:</p> <ul style="list-style-type: none">• To provide support for decision making• To ensure the availability of timely, relevant, and reliable financial and non-financial information• To manage risks• To use resources efficiently, effectively and economically• To strengthen accountability• To provide a supportive control environment• To use financial tools and safeguard assets					

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10.	<p>Learning outcomes:</p> <p>Upon completion of this subject, students should be able to:</p> <ul style="list-style-type: none">• Understand the components of finance• Calculate and analyze the financial ratios• Prepare pro-forma financial statements and cash budgets• Compute present and future value of money• Explain and differentiate between working capital management• Explain and differentiate between short term and long term financing and compute various effective cost of financing• To evaluate fixed assets investment
11.	<p>Transferable Skills:</p> <p>Taking a commercial business as the most common organisational structure, the key acquired skills of financial management would be to:</p> <ul style="list-style-type: none">• Create wealth for the business• Generate cash• Provide an adequate return on investment bearing in mind the risks that the business is taking and the resources invested• Boost the levels of resources at their disposal• Control the functioning on money put in by external investors• Provide investors with sufficient amount of returns on their
12.	<p>Teaching-learning and assessment strategy</p> <p>A variety of teaching and learning strategies are used throughout the course, including:</p> <ul style="list-style-type: none">• Lecture sessions• Tutorial sessions• Case Studies• Student-Lecturer discussion• Collaborative and co-operative learning• Workshops and Training Seminars• Independent study <p>Assessment strategies include the following:</p> <ul style="list-style-type: none">• Ongoing quizzes• Midterm tests• Performance Assessment (Participation, project, Assigned exercises)• Case Presentations

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13.	Synopsis: This subject introduces the student to the field of finance and explains its relevance to students from both a professional and a personal investment perspective. The three components of finance—financial management, investments, and financial markets—are discussed. The calculation perspective of the subject assist to explain how investors, through their investment decisions and other activities create value hence assist managerial decisions to work in the best interests of the owners. The subject also briefly discuss on how the financial environment has become internationalized.																																																																																																							
14.	Mode of Delivery: Face to Face <ul style="list-style-type: none">Lecture sessionsTutorial sessions																																																																																																							
15.	Assessment Methods and Types: The assessment for this course will be based on the following: <table><tr><td>Coursework</td><td colspan="12">50%</td></tr><tr><td>Quizzes</td><td colspan="12">10%</td></tr><tr><td>Assignments</td><td colspan="12">10%</td></tr><tr><td>Project</td><td colspan="12">10%</td></tr><tr><td>Mid-Semester Exam</td><td colspan="12">20%</td></tr><tr><td>Final Examination</td><td colspan="12">50%.</td></tr><tr><td>Total</td><td colspan="12">100%</td></tr></table>													Coursework	50%												Quizzes	10%												Assignments	10%												Project	10%												Mid-Semester Exam	20%												Final Examination	50%.												Total	100%											
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16.	Mapping of the course/module to the Programme Aims The individual course is mapped to the programme aims using a scale of one to five where (one being the least relevant/related and five being the most relevant/ related).																																																																																																							
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17.	Mapping of the course/module to the Programme Learning Outcomes The learning outcomes of this course are mapped to the eight MQF domains using a scale of one to five where (one being the least relevant/related and five being the most relevant/ related).																																																																																																							
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18.	Content outline of the course/module and the SLT per topic					
	WEEK	Details	SLT			
			L	T	Indep.	Total
	WEEK 1	INTRODUCTION TO FINANCIAL MANAGEMENT <ul style="list-style-type: none"> Financial markets and business organization Goals of a firm Functions of a financial manager Risks and return relationship 	2	1	6	9
	WEEK 2	VALUATION <ul style="list-style-type: none"> The Time Value of Money The Valuation of Long-Term Securities Risk and Return 	2	1	6	9
	WEEK 3	TOOLS OF FINANCIAL ANALYSIS AND PLANNING <ul style="list-style-type: none"> Financial Statement Analysis Deferred Taxes and Financial Analysis Funds Analysis, Cash-Flow Analysis, and Financial Planning Sustainable Growth Modelling 	2	1	6	9
	WEEK 4,5	WORKING CAPITAL MANAGEMENT <ul style="list-style-type: none"> Overview of Working Capital Management Cash and Marketable Securities Management Accounts Receivable and Inventory Management Short-Term Financing 	4	2	12	18
	WEEK 6, 7	INVESTMENT IN CAPITAL ASSETS <ul style="list-style-type: none"> Capital Budgeting and Estimating Cash Flows Capital Budgeting Techniques Multiple Internal Rates of Return Replacement Chain Analysis Risk and Managerial Options in Capital Budgeting 	4	2	12	18

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	WEEK 8, 9	THE COST OF CAPITAL, CAPITAL STRUCTURE, AND DIVIDEND POLICY <ul style="list-style-type: none"> • Required Returns and the Cost of Capital • Adjusting the Beta for Financial Leverage • Adjusted Present Value • Operating and Financial Leverage • Capital Structure Determination • Dividend Policy 	4	2	12	18
	WEEK 10, 11	INTERMEDIATE AND LONG-TERM FINANCING <ul style="list-style-type: none"> • The Capital Market • Long-Term Debt, Preferred Stock, and Common Stock • Refunding A Bond Issue • Term Loans and Leases • Accounting Treatment of Leases 	4	2	12	18
	WEEK 12, 13	SPECIAL AREAS OF FINANCIAL MANAGEMENT <ul style="list-style-type: none"> • Convertibles, Exchangeables, and Warrants • Option Pricing • Mergers and Other Forms of Corporate Restructuring • Remedies for a Failing Company • International Financial Management 	4	2	12	18
	WEEK 14	MATHEMATICS OF FINANCE <ul style="list-style-type: none"> • Time value of money • Present value and future value • Endowments 	2	1	6	9
		Total	28	14	84	126
19.	Main references supporting the course: Van Horne & Wachowicz. (2009). <i>Fundamentals of Financial Management</i> . Pearson, (13 th Edition) Additional references supporting the course: 1. Eugene F. Brigham, Dr. Joel F. Houston. (2010.) <i>Fundamentals of Financial Management</i> . Cengage Learning, (13 th Edition) 2. Stephen A. Ross, Randolph W Westerfield, Bradford D Jordan. (2009). <i>Fundamentals of Corporate Finance</i> . McGraw-Hill					
20.	Other additional information All related subject materials will be available to the students during the period of the course					