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Office Location: Main Block, Room F19
Office Hours: Evening: Sat. 7:00-8:00; Sun. 7:00-8:00; Mon. 7:30-9:30
Prerequisite: ACC 102 (Accounting II)
Number of Credits: 3 Credits
Course Websites <http://www.pcpages.com/mosesov/teach/finprin/>
<http://cwx.prenhall.com/bookbind/pubbooks/wachowicz/>

COURSE INTRODUCTION: The managers need to have an understanding as to the techniques of raising funds and their effective allocation. Financial management is concerned with the acquisition, financing and management of assets with wealth maximization goal in mind. This is an introductory course in finance where the role of financial management as an applied field of study will be put in proper perspective. The students will understand the basic goals of financial management, the concepts of valuation and the important financial decisions (long term as well as short term) taken by the managers. The particular emphasis will be on short term investing and financing decisions. The various facets of working capital management viz., cash and marketable securities management, accounts receivable management and inventory management and short-term financing will be emphasized.

COURSE CONTENTS:

- Financial Management – meaning, goals & functions
- Basic financial decisions – Investment and financing decisions.
- Concepts of valuation and valuation of long-term securities.
- Risk and return and Long-term investment decision (Capital budgeting)
- Working capital management – meaning, issues including cash and marketable securities management, accounts receivable and inventory management & short term financing.

COURSE OBJECTIVES: Upon completing this course, the students will be able to:

- Understand the meaning of financial management and the goals normally pursued by the business in taking strategic decisions.
- Appreciate the business, tax & financial environment under which business is conducted.
- Explain the concept of time value of money.
- Understand the valuation of long-term securities.
- Obtain the basic understanding of risk and return from the perspective of the business in an individual as well as portfolio sense.
- Understand the concept of capital budgeting including methods to take the long-term investment decision.
- Explain the working capital management decision in the proper perspective.
- Understand the techniques of cash and marketable securities management.
- Understand the techniques of accounts receivable management and inventory management.
- Understand the various sources of short term financing.

COURSE POLICIES:

Attendance & Academic Dishonesty:

Attendance and all types of academic misconduct and their consequences are subject to the Skyline College regulations explicitly stated in the *Student's Handbook*

Penalties:

- ▶ *Quizzes:* Student who failed to take a scheduled quiz receives zero points for this quiz. In case of an excusable reason (sickness or critical family matters) a re-take or a verbal test could be organized.
- ▶ *Assignments:* Assignments are due on the date specified in the assignment. Late submissions are penalized by the top-grade discounts.
- ▶ *Mid-Term & Final Exams:* Penalties, as well as all other regulations for these assessments are imposed according to current college policies.

CORE TEXT: Van Horne J.C. & Wachowicz Jr. J. M. (2002), Fundamentals of Financial Management, 11th Edition. Prentice Hall, India.

REFERENCES:

Additional Reading, Reference Books:

- ▶ Brealey R. A. & Myers, S. C. (2000), Principles of Corporate Finance, 6th Edn. McGraw Hill, USA;
- ▶ Ross S. A., Westerfield, R. W. & Jaffe J. (1999), Corporation Finance, 5th Edn. Irwin-McGraw Hill, Singapore;
- ▶ Pike, Richard & Neale, Bill (1998), Corporate Finance and Investment, 2nd Edn. Prentice Hall, India

Internet related Sources:

- <http://www.finweb.com>
- <http://finance.yahoo.com/>
- <http://www.financewise.com>
- http://www.tutor2u.net/sub_accounting.asp
- <http://www.educationindex.com/finance/>

ASSESSMENTS / GRADING:

Students' performance is assessed in each registered course out of 100 percent marks*. Current course grading will be based on the following weighted assessments:

TYPE OF ASSESSMENT	WEIGHT TOWARD THE FINAL GRADE, %	SCHEDULE/TIMING
QUIZ 1:	5	Week 2
QUIZ 2	5	Week 3
MID-TERM EXAM	20	Week 4
QUIZ 3:	5	Week 5
ASSIGNMENT	10	Week 6
QUIZ 4	5	Week 7
PARTICIPATION & ATTENDANCE	10	Weekly
FINAL EXAM	40	

* - For the grading scale of 100: **A** is 90 points & above; **B**=80-89; **C**=70-89; **D**=60-79; **F** is 59 & below

DELIVERY METHODS & CLASS SCHEDULE: This course is delivered in the form of interactive lectures summarized in handouts and accompanied by transparency presentations. Most important issues within each concept and/or topic are clarified through discussions and class participation. Topics will be delivered according to the following schedule:

TOPIC	DATE	CONCEPT/TOPIC	MODE/AID*	SOURCE: CORE TEXT
1	28.05.05	The Role of Financial Management	L / T / D / H	Ch.1, pp.1-11
2		Business & Financial Environment	L / T / D / H	Ch.2, pp.13-36
3	04.06.05	Time Value of Money	L / T / D / H	Ch.3, pp.37-68
4		Valuation of Long-Term Securities	L / T / D / H	Ch.4, pp.69-92
5	11.06.05	Introduction to Risk & Return	L / T / D / H	Ch.5, pp.93-124
6		Financial Statements	L / T / D / H	Ch.6, pp.125-167
7	18.06.05	Financial Ratios' Analysis	L / T / D / H	Ch.6, pp.125-167
	20.06.05	Mid-Term Exam	Descriptive	Open-End Questions
8	25.06.05	Funds & Cash-Flow Analysis	L / T / D / H	Ch.7, pp.169-207
9		Working Capital Management	L / T / D / H	Ch.8, pp.209-224
10	02.07.05	Cash & Securities Management	L / T / D / H	Ch.9, pp.225-251
11		Capital Budgeting	L / T / D / H	Ch.13, pp.333-360
12	09.07.05	Project Evaluation	L / T / D / H	Ch.14, pp.361-391
13		Field Trip to Financial Institution	L / T / D / H	
14	16.07.05	Revision		
	24.07.05	Final Exam	Objective	MCQ's

* - L=Lecture; T=Transparency; D=Discussion; H=Handouts; CT=Chapter; App=Appendix