



College of Business and Economics
Department of Accounting and Finance

Course Number	AcFn 2101
Course Title	Financial Management I
Degree Program	BA Degree in Accounting and Finance
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	The aim of the course is to expose students to the basic concepts and techniques of Financial Management. This course enhances students understanding of corporate finance and to improve their ability to make decisions in the firm that create shareholder value. The course emphasizes on financial decision making within the firm.
Course Description	This course deals with fundamental financial concepts and principles. Emphasis is placed on practical problem solving skills based on these concepts and principles. Topics include the role of the financial manager; financial analysis; risk and return, the cost of capital; capital budgeting; and leverages
Course Contents	
1. Introduction <ul style="list-style-type: none"> 1.1 An overview of financial management 1.2 Basic Assumptions and Principles of financial management 1.3 Scope of financial management 1.4 Function of financial management 1.5 Goal of financial management 1.6 Agency problem 1.7 Close related field of financial Management 1.8 Financial market and corporations 	
2. Financial Analyses and Planning <ul style="list-style-type: none"> 2.1. Financial Statement Analysis <ul style="list-style-type: none"> 2.1.1. Vertical and horizontal Analysis 2.1.2. Ratio Analysis <ul style="list-style-type: none"> 2.1.2.1 Liquidity ratios 2.1.2.2 Asset Management ratios 2.1.2.3 Profitability ratios 2.1.2.4 Debt management ratios 2.1.2.5 Market value ratios 2.2. Financial Forecasting 	
3. The Cost of Capital <ul style="list-style-type: none"> 3.1. The concept of cost of capital and opportunity cost 3.2. Determining Component of Cost of Capital <ul style="list-style-type: none"> 3.2.1. Cost of Debt 	

3.2.2. Cost of Preference Capital 3.2.3. Cost of Equity 3.3. The weighted Average 3.4. The Marginal Cost of capital (MCC)
4. Capital Budgeting/Investment Decision 4.1. Definition, Importance of capital budgeting 4.2. Project classifications 4.3. Capital budgeting processes 4.4. Capital Budgeting Evaluation Techniques 4.5. Capital budgeting under uncertainty
5. Financing Decision 5.1. The concept of capital structure 5.2. Leverage 5.2.1. Overview of breakeven point 5.2.2. Operating leverage 5.2.3. Financial leverage 5.2.4. Total leverage 5.3. Method of financing 5.3.1. Debt financing 5.3.2. Equity financing 5.3.3. Lease financing
<p><u>Text Book:</u></p> <ul style="list-style-type: none"> • Ross, Wester field & Jordan. Fundamentals of corporate finance. 9th. <p><u>Reference Books</u></p> <ul style="list-style-type: none"> • Brigham Ehrhardt. Financial management theory and practice. 13th Ed • Khanna & Jain. Financial management. • Financial management. Pandey