

Course Outline

Course Code: 0413 MGT 225

Course Title: Financial Management

Year/Semester: BBA 2nd Year 2nd Semester

Total Marks: 100

Suggested Text and Reference Books

1. James C. Van Horne and John M. Wachowicz Jr., Fundamentals of Financial Management.
2. Eugene F. Brigham and Michael C. Ehrhardt, Financial Management: Theory and Practice.
3. I. M. Pandey, Financial Management.

Note: Students are encouraged to consult additional relevant books and online academic resources to enhance their understanding of the course topics.

Detailed Course Outline (28 Classes)

Class No.	Topic	Contents	Reference Book
1	Introduction to Financial Management	Definition, nature, objectives and goals of financial management; functions of financial manager; financing, investment and dividend decisions.	Book 1
2	Role and Scope of Financial Management	Relationship of financial management with accounting, economics and other business subjects; financial management practices in the Bangladesh corporate sector.	
3	Time Value of Money	Future value, present value, future value of annuity, present value of annuity and practical applications of compounding.	
4	Time Value Applications	Installment payment for accumulation of future sum; practical problems on present value and future value.	Book 2
5	Valuation Concepts and Models	Concept of value, true concept of value, and general valuation model.	Book 1
6	Security Valuation	Bond valuation, preferred stock valuation, and common stock valuation with practical applications.	
7	Capital Structure and Risk	Business risk, financial risk, optimal capital structure and capital structure decisions.	
8	Leverage Analysis	Degree of leverage, operating leverage, financial leverage, and combined leverage.	Book 2
9	Capital Structure Theories	Capital structure theories and practical applications; capital structure decisions of Bangladeshi companies.	Book 1
10	Working Capital Management	Concept of working capital, importance, and working capital cycle.	
11	Financing Working Capital	Sources of short-term financing, matching principles and estimation of working capital requirements.	Book 2
12	Cash Conversion Cycle	Cash conversion cycle and practical applications of working capital management.	Book 1

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13	Working Capital Policies	Working capital investment and financing policies.	Book 2
14	Cost of Capital	Capital components and cost of debt, preferred stock, common equity, and retained earnings.	Book 1
15	Weighted Average Cost of Capital	Dividend discount model approach, cost of newly issued equity, WACC and marginal cost of capital.	
16	Capital Budgeting Introduction	Estimating cash flows; project evaluation and selection methods.	
17	Capital Budgeting Techniques	Payback method and accounting rate of return method.	Book 2
18	NPV and IRR Methods	Net present value method and internal rate of return method with numerical applications.	Book 1
19	Advanced Capital Budgeting	Comparison between IRR and NPV, profitability index, unequal life projects, capital rationing.	Book 2
20	Strategic Investment Decisions	Effects of taxation and inflation; practical applications of capital budgeting.	Book 1
21	Modern Portfolio Theory	Modern portfolio theory, efficient frontier and optimum risky portfolio.	Book 2
22	Investment Market Analysis	Random walk theory, efficient market hypothesis, and investment performance measurement.	Book 1
23	Risk and Return Analysis	Risk and return in the security market, arbitrage pricing model, and business cycle analysis.	Book 2
24	Market Forecasting	Stock prices, interest rates, forecasting analysis, and general market analysis.	Book 1
25	Dividend Policies	Dividend policy theories, factors influencing dividend policy and retained earnings decisions.	
26	Corporate Financial Decisions	Integration of financing, investment and dividend decisions; case discussion on financial decisions of Bangladeshi companies.	Book 3
27	Revision and Problem Solving	Numerical problem solving, revision of important concepts and preparation for final examination.	All Books
28	Course Review and Presentation	Student presentations, term paper discussion, and overall course review.	

Assessment Components

- **Mid-term Examination:** Evaluation will cover selected chapters based on student preference and course progress. The examination date and chapter selection may be adjusted according to students' recommendations.
- **Case Study/Viva:** Students will analyze practical financial management issues of companies and participate in viva discussions.
- **Assignment:** Numerical and analytical assignments on time value of money, valuation, working capital, cost of capital, and capital budgeting.
- **Term Paper:** Students will prepare a research-based report on selected financial management topics or corporate financial practices.
- **Presentation:** Group presentations on financial analysis, investment decisions, capital structure, dividend policy, or case studies.

Note: The course contents and chapter distribution *may be revised according to emerging issues, current scenarios, and students' feedback*. Students' preferences will be considered and prioritized in deciding midterm examination **dates, selected chapters, term paper topics**, and group presentation **themes**.

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