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**Program: Bachelor of Business Administration (BBA)**

Department of Business Administration

Faculty of Business and Economics

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| **Trimester** | **Summer’2020** |
| **Course Title** | **Financial Management** |
| **Course Code** | **FIN-202** |
| **Course Instructor** | **Md Anhar Sharif Mollah** |
| **E-mail** | [anhar.bba@diu.edu.bd](mailto:anhar.bba@diu.edu.bd) |
| **Cell** | **01758883609** |

**Course Description:**

This is the second-level course in finance which provides students with a conceptual understanding of financial economics, thus constituting a sound theoretical basis for analyzing financial management issues, and emphasizes analytical tools and their usage in solving financial problems.

**Course Objectives:**

The course aims to assist the students to develop a thorough understanding of the concepts and theories of underlying financial management in a systematic way. To accomplish this purpose, the recent thinking in the field of finance has been presented in a most lucid, simple and precise manner so that the students will understand financial decisions thoroughly and will be able to evaluate their implications for shareholders and the companies. Students, even those who do not plan to do major in finance but enjoy working with stock and bond valuation models, rates of return, and the like will be benefited by the knowledge of this course. In addition, this course provides the design and delivery of advice and a variety of interesting career opportunities within the areas of banking and related institutions, personal financial planning, investments, real estate, and insurance.

**Course Materials and Readings:**

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| **Text Book:**   1. Principles of Managerial Finance by -L.J. Gitman (Latest Edition)   **Reference Books:**   1. Financial Management *Theory and Practice by* Brigham , Ehrhardt 2. Fundamentals of Managerial Finance by J. C. Van Horne 3. Financial Management by Professor M. Shahjahan Mina 4. Fundamentals of Finance by Professor M. Shahjahan Mina 5. CFA Program Curriculum, Level-I |

**Lecture Schedules**

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| **Chapter** | **Chapter Name** | **Topics to be covered** |
| Chapter 01 | **The Role and Environment of Managerial Finance** | Concept, Major Areas and Opportunities in Finance, Legal forms of Organization, The Managerial Finance Function, Activities of the Financial Manager, Goals of a firm, Financial Institutions & Markets, Agency Issues. |
| Chapter 02 | **Financial Statement Analysis** | Basic concepts, Using Financial Ratios: Debt Ratios, Profitability Ratios, Market Ratios, Du Pont System of analysis. |
| Chapter 03 | **Risk and Return** | Concept of risk and return, risk assessment and measurement, portfolio return and standard deviation, correlation, diversification. |
| Chapter 04 | **Capital Budgeting**  **Techniques** | Concepts, Steps, Capital Budgeting Techniques: Payback period, Average Rate of Return, Net Present Value, Internal Rate of Return, Modified & Multiple IRR, Profitability Index. |
| Chapter 05 | **Cost of Capital** | Concept, Importance, Sources of capital: Cost of Equity Capital, Cost of Debt Capital, Cost of Preferred Stock Capital, Cost of Retained Earnings, WACC, Factors affecting WACC, Marginal COC. |
| Chapter 06 | **Leverage** | Concept, operating leverage, financial leverage, total leverage, Breakeven analysis. |
| **Mid-Term Examination** | | |
| Chapter 07 | **Capital structure** | Concept, types of capital, Business & Financial Risk, capital structure theory, factors that influence capital structure, optimum capital structure, The EBIT-EPS Approach to Capital Structure, Choosing the optimal capital structure problem solution. |
| Chapter 08 | **Dividend policy** | Concepts, Dividend vs. Capital Gain, dividend payment methods, terminologies (declaration, record date, ex-dividend, stock dividend, stock split, stock repurchase, Dividend policy Theory. |
| Chapter 09 | **Working Capital** | Working Capital & its Management, Classification, Determinants of Working Capital, Working Capital Cycle, Cash Conversion Cycle. |
| Chapter 10 | **Lease Financing** | Definition and Provisions of Lease Financing, Types of Leasing, Methods of Leasing, Purchase And Lease Decision, Problem Solution. |
| **Final Examination** | | |