

## **Course Details:**

**Course Title:** Fundamentals of Financial Management

**Credit Hours:** 3

**Course Code:** THM-302

**Pre-requisite:** none

**Program:** BS HM 2K2022

**Sections:** A

## **Course Description:**

This course deals with subjects and issues facing a hospitality financial manager. The primary purposes of this course are to understand the role of financial management, to learn analytic concepts and managerial tools to make capital investment decisions and to become familiar with major financial instruments and concepts such as time value of money, risk-return, bond and stock valuation, capital budgeting, cost of capital, capital structure and dividend policy. This course also handles hospitality-specific cases and readings for investments, capital structure, and dividends. Typically offered Fall.

## **Course Learning Outcomes:**

By the end of this course, the student should be able to:

- CLO 1. *Explain* key concepts in finance for the management of financial resources.
- CLO 2. *Identify* the different forms of market efficiency for analyzing financial markets.
- CLO 3. *Utilize* different methods of valuation of financial assets for determining prices of securities.
- CLO 4. *Make use of* appropriate methods of calculating required rate of return given the risk of securities.
- CLO 5. *Apply* various investment appraisal techniques to select projects.
- CLO 6. *Compare* solutions for minimize agency problems.

## **Program Goals & Learning Objectives:**

Goals & learning objectives of the BBA Program are:

- Goal 1: Students will acquire knowledge to analyze business problems.
  - LO 1.1: Students will be able to understand problems in a business setting.
  - LO 1.2: Students will be able to analyze problems using business knowledge.
- Goal 2: Students will work in team settings.
  - LO 2.1: Students will be able to work towards achieving team goals.
  - LO 2.2: Students will be able to demonstrate effective team behaviour.
- Goal 3: Students will learn to communicate effectively.
  - LO 3.1: Students will be able to communicate effectively in oral presentations.
  - LO 3.2: Student will be able to create professional reports.
- Goal 4: Students will deal with the ethical dilemmas that arise in a business environment.
  - LO 4.1: Students will be able to identify ethical concerns emanating from a business situation.

LO 4.2.: Students will be able to apply ethical guidelines to address business problems by examining set of alternatives.

**Mapping - CLOs with LOs**

Learning Outcomes	LO 1.1	LO 1.2	LO 2.1	LO 2.2	LO 3.1	LO 3.2	LO 4.1	LO 4.2	To be assessed in
CLO 1	✓								Quiz 1
CLO 2	✓								Quiz 2
CLO 3		•							Assignments and exams
CLO 4		•							Assignments and exams
CLO 5		•							Exams
CLO 6		•							Exams

**Note:** ✓ indicates mapped and assessed CLO, ● indicates mapped but not assessed CLO and X indicates unmapped.

**Required Course Material:**

**Textbook (s):**

The required text for this course is following:  
Financial Management: theory and practice by Brigham and Ehrhardt. 16<sup>th</sup> Edition.

**Other Material:**

I will give also share copies of practice questions and case studies as we go along.

**Course Evaluation:**

Grading will be done as per NBS criteria. The breakup of the grade points is as follows:

Midterm Examination	25%
Final Examination	40%
Quizzes	15%
Project/Assignments	10%

Class participation

05%

**Weekly Schedule:**

Week	Lecture No. and Topic	Preparation Material	Session Outcomes (Students should be able to...)
1	An overview of financial management and financial environment	Chapter 1, Brigham and Ehrhardt (2016)	Appreciate what financial management is all about. CLO 1,6
2	Time value of Money	Chapter 4, Brigham and Ehrhardt (2016)	Understand time value of money. CLO 3
3	Bond, bond valuation and interest rates	Chapter 5, Brigham and Ehrhardt (2016)	Value bonds and understand how interest rates impact bond valuation. CLO 3
4	Valuation of stocks and corporations	Chapter 7, Brigham and Ehrhardt (2016)	Value shares and companies. CLO 3
5	Working Capital	Chapter 15, Brigham and Ehrhardt (2016)	Understand working capital management. CLO 1
6	Case study	Destron Petroleum Services	Understand time value of money. CLO 3
7	Cost of capital	Chapter 9, Brigham and Ehrhardt (2016)	Understand and quantify cost of capital. CLO 4
8	Principles of Capital Investment	Chapter 8, Brigham and Ehrhardt (2016)	Conduct investment appraisal. CLO 5
9	<b><u>MID-TERM EXAM WEEK</u></b>		
10	Risk and return	Chapter 6, Brigham and Ehrhardt (2016)	Understand the relationship between risk and return. CLO 4
11	Guest Lecture by the SECP	Topic to be announced	
12	The basics of capital budgeting: Evaluating cash flows	Chapter 10, Brigham and Ehrhardt (2016)	Understand the difference between profits and cash flows. Conduct investment appraisal. CLO 5
13	The basics of capital budgeting: Evaluating cash flows	Chapter 10, Brigham and Ehrhardt (2016)	Understand the difference between profits and cash flows. Conduct investment appraisal. CLO 5
14	Capital structures	Chapter 9, Brigham and Ehrhardt (2016)	Determine optimal capital structure. CLO 1
15	Efficient market hypothesis	Chapter 11, Brigham and Ehrhardt (2016)	Understand market efficiency. CLO 2
16	Guest Lecture by the SECP		CLO 1,6
17	<b><u>BUFFER WEEK</u></b>		
18	<b><u>FINAL EXAM WEEK</u></b>		

### **Class participation:**

Each section will make 5 groups with equal number of students. Groups once made cannot be altered. This is for practicing questions which would be a marked as a class participation activity. The assigned questions (from each chapter) are as follows.

	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Group 4</b>	<b>Group 5</b>
	1	2	3	4	5
	10	9	8	7	6
	11	12	13	14	15
	20	19	18	17	16
	21	22	23	24	25
<b>Question</b>	30	29	28	27	26

I will schedule the presentations and let you know as we go through the semester. Please note that

1. It is your duty to ensure that presentation starts and finishes on time and that no time is wasted in starting and opening the presentation online and no time is wasted in waiting for the other group members to join.
2. Please remember that I would be marking each student separately so please ensure that each group member presents his or her part properly.
3. I could randomly ask the question from anyone in the group. In that case you cannot say that this wasn't my part so I have not prepared it.
3. Be very professional please.
5. I will decide and let you know the order of presentations in the start of class. So make sure you all are there on time.
6. Each presentation should be 10 minutes long (strictly). I will then take 5 minutes for questions and answers. So each group will be given a total of 10 minutes.

### **Course project:**

Each group has to submit a case and a case note in the start of the 14th week of the semester and also present them. Both the case and the case note need to be written in past tense. The case can be a factual case, a disguised case or a fictitious case. But whatever the category of the case is, it should be mentioned clearly on the top. The case should be of no more than 8 pages of text. The things to include in the case are.

1. The name of the company in the title.
2. An opening paragraph which summarizes the whole case.
3. Company background.
4. Industry background.
5. Detailed characterization of the protagonist throughout the case.
6. The dilemma/issues faced by the protagonist.
7. The details related to the dilemma/issue in words and also exhibit(s).

8. Clearly referenced exhibit(s) in the end of the document.
9. Supplementary excel file of the exhibits which have numerical data.

The case note should include:

1. The academic learning outcomes of the case.
2. Solution(s) and suggestions to the protagonist's dilemma/issues with numerical calculations.
3. A set of further assignment questions along with their solutions. These questions can be both qualitative and quantitative.
4. A possible board plan.
5. Clearly referenced exhibits in the end of the document.
6. Supplementary excel file of the exhibits which have numerical data.

Marks will be granted on the following basis.

1. Academic learning outcomes.
2. Characterization.
3. Accuracy of calculations.
4. How interesting the case is.
5. Presentation.