

**Kathmandu University School of Management**  
**Bachelor of Business Administration**  
**Course Syllabus**

<b>Course Title</b>	<b>MANAGERIAL FINANCE-I</b>
<b>Course Code</b>	<b>FIN 202</b>
<b>Credit hours</b>	<b>3</b>
<b>Course Objective</b>	The main objective of this course is to provide the students an understanding of and ability to use basic financial management concepts, tools, and techniques for making well reasoned financial decisions.
<b>Enabling objectives</b>	<p>After completion of all the learning units and the requirements of the course, students will be able to:</p> <ul style="list-style-type: none"> <li>- Describe and explain basic concepts of financial management decisions;</li> <li>- Explain the financial market and Nepalese financial system;</li> <li>- Analyze the financial statements using standard financial ratios of liquidity, activity, debt, profitability, and market value.</li> <li>- Prepare loan amortization schedule by applying time value of money concepts;</li> <li>- Apply the techniques to project financial statements for forecasting long-term financial needs;</li> <li>- Estimate the value of bond and stock using different valuation models;</li> <li>- Manage a firm's working capital efficiently.</li> </ul>
<b>Learning Unit</b>	
<b>Learning Unit One</b> <b>Net Contact Hours-4 hrs</b>	<b>Introduction to Managerial Finance</b> Meaning and Nature of Managerial finance, Emerging role of financial manager, Financial management decisions, Goals of Financial Management: Profit maximization and Shareholders' wealth maximization goal, Organization of Financial management function.
<b>Learning Unit Two</b> <b>Net Contact Hours 4-hrs</b>	<b>Financial Environment: Financial Markets and Institutions</b> Financial environment, Financial markets: Money market and Capital market, Primary market and Secondary market, Financial institutions, Nepalese financial system.
<b>Learning Unit Three</b> <b>Net Contact Hours-8 hrs</b>	<b>Financial Analysis</b> Meaning of financial statements, Forms of financial statements: Income statement, Balance sheet, Statement of retained earnings, and Statement of cash flows, Notes to the financial statements, Methods of financial statement analysis: Horizontal analysis, Vertical analysis, Trend Analysis, and Ratio Analysis, Rationale of ratio analysis, Types of ratios: Liquidity or Short term solvency ratios, Activity or Turnover ratios, Debt or Leverage ratios, Profitability ratios, and

	Market ratios, DuPont system of analysis, Uses and Limitations of Ratio Analysis.
<b>Learning Unit Four</b> <b>Net Contact Hours-6 hrs</b>	<b>Time Value of Money</b> Concepts, Future value and compounding, Present value and discounting, Annuities and Perpetuities, Loan types and Loan amortization.
<b>Learning Unit Five</b> <b>Net Contact Hours 8-hrs</b>	<b>Financial Planning and Forecasting</b> Meaning and nature of financial plan, Break-even analysis, Sales forecast, Financial statement forecasting, Percent of sales method: Projected financial statement method, External financing and Growth (additional funds needed), Percentage external fund requirement (PEFR).
<b>Learning Unit Six</b> <b>Net Contact Hours-8 hrs</b>	<b>Bond and Stock Valuation</b> Meaning and Features of bond, Bond indenture, Types of bond, Bond yield: Current yield, Yield to maturity (YTM), and Yield to call (YTC), Bond valuation, Features of Common stock and Preferred stock, Common stock valuation: Zero growth model, Constant growth model, and Variable growth model, Preferred stock valuation.
<b>Learning Unit Seven</b> <b>Net Contact Hours-10 hrs</b>	<b>Working Capital Management</b> Concepts, Working capital policies, Cash conversion cycle, Inventory management: Types of inventory, Inventory management technique: Economic order quantity (EOQ) model, Receivable management: Credit policy, Five C's system, Monitoring accounts receivable, Cash management: Facets of cash management, Rationale for holding cash, Managing cash collections and disbursements.
<b>Total contact hours</b>	48 hrs (excluding assessment and final examination)
<b>Evaluation Scheme</b>	In-Semester evaluation:50% End-Semester evaluation:50%
<b>Basic Test Book</b>	Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordon (2012). <i>Fundamentals of Corporate Finance</i> , 9 <sup>th</sup> Edition. New Delhi: Tata McGraw-Hill Publishing Company.
<b>References</b>	Richard A. Brealey and Stewart C. Myers (2012). <i>Fundamentals of Corporate Finance</i> , 10 <sup>th</sup> Edition. New Delhi: Tata McGraw-Hill Publishing Company. Gitman J. Lawrence (2007). <i>Principles of Managerial Finance</i> , 11 <sup>th</sup> Edition. New Delhi: Dorling Kindersley (India) Private Limited Eugene F. Brigham and Michael C. Ehrhardt (2012). <i>Financial Management: Theory and Practice</i> , 12 <sup>th</sup> Edition. New Delhi: Cengage Learning India Private Ltd. Pandey, I.M. (2010). <i>Financial Management</i> , 10 <sup>th</sup> Edition. New Delhi: VikasPublishing House Pvt. Ltd.

Updated February 2017