

Syrian Arab Republic	 الجامعة الافتراضية السورية SYRIAN VIRTUAL UNIVERSITY	الجمهورية العربية السورية
Ministry of Higher Education		وزارة التعليم العالي
Syrian Virtual University		الجامعة الافتراضية السورية

Course Description: Fundamentals of Financial Management

1- Basic Information:

Course Name	Fundamentals of Financial Management
Course ID	BFB201
Contact Hours (Registered Sessions)	18
Contact Hours (Synchronized Sessions)	18
Mid Term Exam	-
Exam	75 min
Registered Sessions Work Load	18
Synchronized Session Work Load	18
Credit Hours	4

2- Pre-Requisites:

Course	ID
Principles of Accounting	BAC101

3- Course General Objectives:

This course is designed to introduce students to the fundamental issues of financial management and to the quantitative techniques used to address them. This course will consider questions of concern for both corporate financial managers and investments managers. When students have successfully completed this course, they should be able to:

1. Identify the role and the objectives of the financial manager and recognize the different types of business organizations;
2. Apply time value of money concepts to complex cash flow scenarios;
3. Evaluate alternative techniques for analyzing project opportunities and budgeting capital;
4. Manage the components of working capital to minimize the cost of carrying current assets and the cost of short-term borrowing;
5. Understand the different the kinds of leases as a source of medium-term financing;
6. Estimate the cost of debt, preferred stock, and common stock as sources of capital;
7. Perform financial statement analysis for the purposes of evaluating and forecasting in financial management.

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Intended Learning Outcomes (ILO):

Code	Intended Learning Outcomes
ILO1	Understanding the different concepts of financial management and the basic features of approaches to financial management. Recognizing the main decisions and objectives of financial management. Discussing some of issues related to financial management such as business ethics, the agency problem and stakeholders. Understanding the different legal forms of business organizations, their pros and cons.
ILO2	Understanding what is meant by time value of money. Understanding the relationship between present value and future value. Learning how to do the required calculation both the future and present value of: (a) an amount invested today; (b) a stream of equal cash flows (an annuity); and (c) a stream of mixed cash flows. Distinguish between an “ordinary annuity” and an “annuity due.”
ILO3	Understand the sources and types of short-term financing. Calculate the annual cost of trade credit. Describe the various types of negotiated (or external) short-term financing. Identify the factors that affect the cost of short-term borrowing. Learning how to calculate the effective annual interest rate on short-term borrowing with or without a compensating balance requirement and/or a commitment fee. Calculate the cost of financing by commercial paper .
ILO4	Understanding the different kinds of leases as a source of medium-term financing and some of the reasons for their use. Understanding the difference in term of cost between leasing and borrowing.
ILO5	Calculate the costs of the individual components of a firm’s overall cost of capital: cost of debt, cost of preferred stock, and cost of equity.
ILO6	Understanding the steps involved in the capital budgeting process. Understand the non-discounted method of project evaluation and selection, including its: a) calculation; (b) acceptance criterion; (c) advantages and disadvantages. Understand the three major discounted cashflow (DCF) methods of project evaluation and selection – internal rate of return (IRR), net present value (NPV), and profitability index (PI). Learning the calculation, acceptance criterion, and advantages (over the PBP method) for each of the three major DCF methods.
ILO7	Understanding the financial statements used in financial analysis , and calculating and categorizing (according to liquidity, financial leverage, coverage, activity, and profitability) the major financial ratios and understand what they can tell us about the firm

4- Course Syllabus (18 hours of total synchronized sessions; 18 hours of total Recorded Sessions)

- **RS:** Recorded Sessions; **SS:** Synchronized Sessions;

ILO	Course Syllabus	RS	SS	Type	Additional Notes
ILO1	Introduction to Modern Financial Management <ul style="list-style-type: none"> ▪ Financial Management Concept ▪ Approaches to Financial Management 	1.5	1.5	<input type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars	

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	<ul style="list-style-type: none"> ▪ Financial Management Decisions ▪ Financial Management Goals ▪ Forms of Business Organizations ▪ Stakeholders ▪ Code of Business Ethics ▪ Agency Problem 			<input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	
ILO2	Time Value of Money Future Value Concept <ul style="list-style-type: none"> ○ Future Value for Single Amount ○ Impact of Frequency on Future Value ○ Future Value for Mixed Stream ○ Future Value for Annuity Present Value concept <ul style="list-style-type: none"> ○ Present Value for Single Amount ○ Present Value for Mixed Stream ○ Present Value For Annuity ○ Finding the Number of Years 	3	3	<input checked="" type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	
ILO3	Short Term Financing <ul style="list-style-type: none"> ▪ Trade Credit <ul style="list-style-type: none"> ○ Trade Credit Concept ○ Cost of Trade Credit ▪ Accruals ▪ Short Term Loans <ul style="list-style-type: none"> ○ Line of Credit ○ Revolving Credit ○ Contractor Loans ○ Secured Loans ▪ Cost of Short Term Loans <ul style="list-style-type: none"> ○ Simple Interest ○ Discount Interest ○ Installment Loan Interest ○ Compensating Balances Interest ▪ Financing with Commercial Papers 	1.5	1.5	<input checked="" type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	
ILO4	Intermediate-term Financing <ul style="list-style-type: none"> ▪ Term Loans <ul style="list-style-type: none"> ○ Term Loans Concept ○ Grace Period ○ Loan Repayment Schedule ▪ Equipment Loans <ul style="list-style-type: none"> ○ Conditional Sales Contract 	3	3	<input checked="" type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	

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	<ul style="list-style-type: none"> ○ Secured loans ▪ Lease Financing <ul style="list-style-type: none"> ○ Kinds of Lease Financing ○ Lease Financing Concept <ul style="list-style-type: none"> ● Operating Lease ● Financial Lease ● Leveraged Lease ▪ Leasing or Borrowing-Ownning <ul style="list-style-type: none"> ○ Cost of leasing ○ Cost of Borrowing-Ownning 				
ILO5	Long-Term Financing <ul style="list-style-type: none"> ▪ Common Stock <ul style="list-style-type: none"> ○ Common Stock Concept ○ Common Stocks Values ○ Cost of Common Stock ▪ Preferred Stock <ul style="list-style-type: none"> ○ Preferred Stock Concept ○ kinds of Preferred Stocks ○ Cost of Preferred Stocks ▪ Cost of Retained Earning ▪ Bonds <ul style="list-style-type: none"> ○ Bonds Concept ○ Kinds of Bonds ○ Bonds Call feature ○ Convertible Bonds Feature ○ Sinking Fund ○ Cost of Debt 	3	3	<input checked="" type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	
ILO6	Investment Decision <ul style="list-style-type: none"> ▪ Non-Discounted Criteria <ul style="list-style-type: none"> ○ Pay-Back Period ○ Average Accounting Return ○ Profitability Index ▪ Discounted Criteria <ul style="list-style-type: none"> ○ Net Present Value (NPV) ○ Profitability Index ○ Internal Rate of Return ○ Discounted Pay-Back period 	3	3	<input checked="" type="checkbox"/> Exercises <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others	
ILO7	Financial Ratio Analysis <ul style="list-style-type: none"> ▪ Financial Statements 	3	3	<input checked="" type="checkbox"/> Exercises	

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	<ul style="list-style-type: none"> ○ Balance Sheet or Financial Position Statement ○ Income Statement ▪ Financial Ratio Analysis <ul style="list-style-type: none"> ○ Liquidity Ratios ○ Activity Ratios ○ Financial Leverage Ratios ○ Profitability Ratios ○ Return on Investment ○ Market Value Ratio 			<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Assignments <input type="checkbox"/> Seminars <input type="checkbox"/> Projects <input type="checkbox"/> Practices <input type="checkbox"/> Others 	
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5- Assessment Criteria (Related to ILOs)

ISC	Interactive Synchronized Collaboration	Ex	Exams	Rpt	Reports
PF2F	Presentations and Face-to-Face Assessments	PW	Practice Work		

ILO Code	ILO	Intended Results	Assessment Type				
			ISC	PW	Ex	PF2F	Rpt
ILO 1	Understanding the evolution of financial management. Recognizing decisions and objectives of financial manager. Understanding the social responsibility of financial management. Understanding the forms of business organizations.		X	X	X		
ILO 2	Understanding time value of money concept. Learning how to do the required calculation both the future and present value in different scenarios.		X	X	X		
ILO 3	Understand the sources and types of short-term financing. Calculate the effective cost of various types of short-term financing.		X	X	X		
ILO 4	Understanding the different the kinds of leases as a source of medium-term		X	X	X		

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	financing. Understanding the difference in term of cost between leasing and borrowing.						
ILO 5	Calculate the costs of long term financing: cost of debt, cost of preferred stock, and cost of equity.		X	X	X		
ILO 6	Understand the non- discounted method of project evaluation and selection, Understand the major discounted cashflow (DCF) methods of project evaluation and		X	X	X		
ILO 7	Understanding the financial statements used in financial analysis. Calculating and categorizing the major financial ratios and understand what they can tell us about the firm		X	X	X		

6- Practice Tools:

Tool Name	Description

7- Main References

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3- زرديق، عبد الرحيم و أخرون (2010). مبادئ دراسات الجدوى الاقتصادية، كلية التجارة، جامعة بنها.

4- عطية، خليل محمد خليل، (2011). دراسات الجدوى الاقتصادية، مركز تطوير الدراسات العليا والبحوث.

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8- Additional References