

# Syllabus

## 1. Programme information

1.1. Institution	THE BUCHAREST UNIVERSITY OF ECONOMIC STUDIES
1.2. Faculty	Business Administration in Foreign Languages
1.3. Departments	Department of Business Administration in foreign languages (UNESCO chair)
1.4. Field of study	Business Administration
1.5. Cycle of studies	Master Studies
1.6. Education type	Full-time
1.7. Study programme	Digital business and innovation
1.8. Language of study	English
1.9. Academic year	2023-2024

## 2. Information on the discipline

2.1. Name	<b>Financial maangement</b>								
2.2. Code	<b>23.0295IF2.1-0003</b>								
2.3. Year of study	<b>2</b>	2.4. Semester	<b>1</b>	2.5. Type of assessment	<b>Exam</b>	2.6. Status of the discipline	<b>O</b>	2.7. Number of ECTS credits	<b>6</b>
2.8. Leaders	C(C)	<b>conf.univ.dr. MATEI V MARIUS</b>					marius.matei@fabiz.ase.ro		
	S(S)	<b>Cadru asoc Lect.dr. TURCAN CIPRIAN-SEBASTIAN</b>					ciprian.turcan@fin.ase.ro		

## 3. Estimated Total Time

3.1. Number of weeks	14.00
3.2. Number of hours per week	4.00 of which
	C(C) 2.00
	S(S) 2.00
3.3. Total hours from curriculum	56.00 of which
	C(C) 28.00
	S(S) 28.00
3.4. Total hours of study per semester (ECTS*25)	150.00
3.5. Total hours of individual study	94.00
<i>Distribution of time for individual study</i>	
Study by the textbook, lecture notes, bibliography and student's own notes	30.00
Additional documentation in the library, on specialized online platforms and in the field	33.00
Preparation of seminars, labs, assignments, portfolios and essays	27.00
Tutorials	2.00
Examinations	2.00
Other activities	

## 4. Prerequisites

4.1. of curriculum	Students do not need any curriculum prerequisites. During the course, they would need to have their laptops installed with EViews Student Lite version. Scientific calculators are also advisable to be brought.
4.2. of competences	This course provides students with skills and knowledge to succeed as business professionals and to maximize their firms' values, in their jobs in future. Basic quantitative knowledge is required.

## 5. Conditions

for the C(C)	The lectures will be sustained in room equipped with teaching multimedia, flipchart and other supporting materials
for the S(S)	The lectures will be sustained in room equipped with teaching multimedia, flipchart and other supporting materials

## 6. Acquired specific competences

PREFESIONAL	C1	
PREFESIONAL	C5	

## 7. Objectives of the discipline

7.1. General objective	<p>This course presents the foundations of financial management with an emphasis on applications vital for corporate financial managers. We discuss most of the major financial decisions made by corporate managers both within the firm and in their interactions with investors. Essential in most of these decisions is the process of valuation, which will be emphasized throughout the course. Topics include criteria for making investment decisions, valuation of financial assets and liabilities, relationships between risk and return, capital structure choice, payout policy, the effective use and valuation of derivative securities (futures, options, and convertible securities), and risk management.</p> <p>It will be discussed the concept of valuation, it will be explained its dependency on future cash flows and risk, and it will be shown why value maximization is good for society in general. We take up the time value of money concept and we review basic accounting, including a discussion on cash flows and ways to analyze financial statements. We also discuss the major types of financial markets, the returns the investors have historically earned in those markets, risks inherent in different securities and the main trading strategies to obtain the highest Sharpe ratios. Finally, we explain the financial tools and techniques managers use to maximize their firms' values, including capital budgeting, the optimal capital structure, dividend policy, and working capital and financial forecasting.</p>
7.2. Specific objectives	<ol style="list-style-type: none"> <li>1. To develop a comprehensive understanding of financial management in the students.</li> <li>2. To elaborate the role of financial planning and controlling – financial forecasting and cash budgeting tools – in planning for the organization's financial requirements.</li> <li>3. To help young professionals and managers enrolled to maximize their firms' values.</li> <li>4. To explain the capital budgeting process, its basic principles, to calculate and interpret results using each of the following methods to evaluate a capital project: NPV profile, internal rate of return, payback period, discounted payback period, average accounting rate of return and profitability index.</li> <li>5. To calculate and interpret the weighted average cost of capital of a company.</li> <li>6. To describe how taxes affect the cost of capital from different sources.</li> <li>7. To explain how the marginal cost of capital and the investment opportunity schedule are used to determine the optimal capital budget.</li> <li>8. To calculate and interpret the cost of fixed rate debt capital using the yield-to-maturity, the debt-to-maturity and the debt-rating approaches.</li> <li>9. To calculate and interpret the liquidity measures using selected financial ratios.</li> <li>10. To evaluate overall working capital effectiveness of a company.</li> </ol>

## 8. Contents

8.1. C(C)		Teaching/Work methods	Recommendations for students
1	Introduction to Financial Management	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015 – chapter 1, pp. 2-19, including the self-test questions and problems

2	Fundamental Concepts in Financial Management: time value of money, financial statements, cash flows and taxes, analysis of financial statements, financial markets and institutions	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Cases: First National Bank (p.62), D'Leon Inc. (p. 95), Smyth Barry & Company I (p. 170)
3	Financial Assets: interest rates, bonds and their valuation, risk and rates of return, stocks and their valuation	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Cases: Smyth Barry & Company II (p. 206), Western Money Management (p. 243)
4	Investing in Long-term Assets. Capital budgeting: the cost of capital, the basics of capital budgeting, cash flow estimation and risk analysis	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Cases: Coleman Technologies (p. 355), Allied Food Products (p. 409)
5	Capital Structure and Dividend Policy: capital structure and leverage, distributions to shareholders: dividends and share repurchases	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Cases: Campus Deli (p. 472), Southeastern Steel Company (p. 508)
6	Working Capital and Financial Forecasting: working capital management, managing and measuring liquidity, financial planning and forecasting	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Case: Ski Equipment (p. 548)
7	The Asset Allocation Decision: individual investor life cycle, constructing a policy statement, portfolio management process, Markowitz portfolio theory	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Case: Tropical Sweets (p. 613)
8	An Introduction to Asset Pricing Models: capital market theory, CAPM and Fama French models, empirical tests, relationship between systematic and return risk	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Case: Merrill Finch (p. 286)

### ***Bibliography***

- Brigham Eugene F. și Michael C. Ehrhardt, Financial Management: Theory & Practice, Cengage Learning, 2019
- Brigham Eugene F. și Houston Joel F., Fundamentals of Financial Management, Thomson South Western, 2015
- CFA Institute, Corporate Finance and Portfolio Management, Level I, Pearson Custom Publishing, 2008
- Eun Cheol și Resnick Bruce, International Financial Management, McGraw-Hill Education, 2014
- Halloran John A. și Lanser Howard P., Introduction to Financial Management, Cengage Learning, 2000
- Jorion Phillippe, Financial Risk Manager Handbook, Wiley, 2010

8.2. S(S)	Teaching/Work methods	Recommendations for students

1	Introduction to Financial Management	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015 – chapter 1, pp. 2-19, including the self-test questions and problems
2	Fundamental Concepts in Financial Management: time value of money, financial statements, cash flows and taxes, analysis of financial statements, financial markets and institutions	- lectures and student involvement in lectures with questions, comments, examples; - interactive presentations, debates, simulations, mini-case studies;	Brigham and Houston, 2015. The Integrated Cases: First National Bank (p.62), D'Leon Inc. (p. 95), Smyth Barry & Company I (p. 170)
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- Halloran John A. și Lanser Howard P., Introduction to Financial Management, Cengage Learning, 2000

**9. Corroboration of the contents of the discipline with the expectations of the representatives of the epistemic community, of the professional associations and representative employers in the field associated with the programme**

The course content was correlated with local and international business requirements and according to an international design thinking methodology.

**10. Assessment**

Type of activity	Assessment criteria	Assessment methods	Percentage in the final grade
10.1. C(C)		Seminar and course attendance	10.00
10.2. C(C)	Progressive assessment	Group project, case studies, simulations and active attendance during the seminars	30.00
10.3. Final assessment	Summative assessment	Written exam – theory, problems and a case study	60.00
10.4. Modality of grading	Whole notes 1-10		
10.5. Minimum standard of performance	Obtaining minimum 50 points		

Date of listing,  
04/26/2024

Signature of the discipline leaders,

Date of approval in the  
department

Signature of the Department Director,