

COURSE OUTLINE

Department & Faculty: Department of Mechanical Engineering & Management Center for Diploma Studies, SPACE, UTM	Page :
Course Code : Financial Management (DDWW 2213) Total Contact Hours : 4 hours x 14 weeks Lecture 3 hrs Tutorial 1 hour	Semester : Academic Session :

Lecturer : Pn. Hasliza Husin Room No. : V204N Telephone No. : 019-3337656 E-Mail : hasliza@utmspace.edu.my	Synopsis : This course focuses on the basic principles and techniques in making financial decisions. It covers both the concepts of financial management as well as the applications of financial techniques as tools for making decisions. The topics covered include financial statement analysis, financial forecasting and planning, working capital management, risk and return relationship, short and long term financing, time value of money and its applications, capital structure policy, mergers and acquisition and risk management.
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LEARNING OUTCOMES

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

No.	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Taxonomy and Soft Skills Levels	Assessment Methods
1.	Identify the goal of a firm and the role of a financial manager. Analyse the financial performance of a company within group collaboration.	PLO1 PLO3	C1 C3 P3, CTPS1-2	Quiz, Test
2.	Apply the concept of time value of money in appraising investment and calculate the expected rate of return.	PLO1 PLO3	C2 P2, CTPS1-2	Quiz, Test, Final Exam
3.	Evaluate sourcing of financing and manage the working capital. Generate cash flow estimation and perform capital budgeting analysis.	PLO3	P3, CTPS1-2	Test, Assignment, Final Exam
4.	Develop qualities of an effective team player and reporting information.	PLO5	A3, TS1	Assignment & Presentation

Prepared by (Head of Programme) Name : Hasliza Husin Signature : Date :	Certified by (Head of Department) Name : Mohamad Shafie Abdul Rashid Signature : Date :
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STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (Hours)
1. Face to face Learning <ul style="list-style-type: none"> a. Lecture b. Tutorial c. SCL Activities 	35 14 7
2. Independent Study <ul style="list-style-type: none"> a. Non Face to face learning or SCL b. Revision c. Evaluation 	34 15 9
3. Formal evaluation <ul style="list-style-type: none"> a. Tests b. Quizzes c. Final examination 	2 1.5 2.5
Total	120

TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Individual/Group Assignment, Presentation

WEEKLY SCHEDULE

Week 1	: 1.0	INTRODUCTION TO FINANCIAL MANAGEMENT
	1.1	Financial management decision
	1.2	Form of business entities
	1.3	Financial markets and institutions
Week 2	: 2.0	ANALYSIS OF FINANCIAL STATEMENTS 1
	2.1	Financial statements
	2.2	Financial ratios and limitations
Week 3	: 3.0	ANALYSIS OF FINANCIAL STATEMENTS 2
	3.1	DuPont analysis method
	3.2	Trend analysis method

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	3.3	Comparative ratio analysis
Week 4	: 4.0	FINANCIAL FORECASTING AND PLANNING
	4.1	Sales forecast
	4.2	Percent of sales method
	4.3	DFN / AFN model
	4.4	Pro-forma financial statement
Week 5-6	: 5.0	WORKING CAPITAL MANAGEMENT AND SHORT TERM FINANCING
	5.1	Importance of Working Capital
	5.2	Managing current assets and current liabilities
	5.3	Strategies in working capital management
	5.4	Cash conversion cycle
	5.5	Sources and Cost of short-term financing
Week 7	: 6.0	RISK AND RETURN
	6.1	The Definition and Measurement of Expected Rate of Return
	6.2	The Definition and Measurement of Risk
	6.3	Risk and Diversification – Market Risk, Portfolio Beta
	6.4	The Capital Asset Pricing Model (CAPM)
Week 8	: 7.0	TIME VALUE OF MONEY
	7.1	Future Value and Present Value
	7.2	Annuities – Ordinary/Compound Annuities and Annuities Due
	7.3	Present and Future Values with Non-annual Periods
	7.4	The Present Value of an Uneven Stream, Perpetuities
	7.5	The Applications – Loan Amortization, Savings Plan, Growth Measurement
Week 9	: 8.0	BOND VALUATION
	8.1	Types of Bonds
	8.2	Terminology and Characteristics of Bonds
	8.3	Valuation of Bonds, Semi-annual Interest and Yield to Maturity
	8.4	Important Relationships – Interest Rate Risk, Premium Bonds and Discount Bond
Week 10	: 9.0	STOCK VALUATION
	9.1	Basic Characteristics of Preferred Stock and Common Stock
	9.2	Valuation of Preferred Stock and Common Stock
	9.3	Dividend Valuation Model – Zero Growth, Constant Growth and Variable Growth
	9.4	The Expected Rate of Return of Stockholders
Week 11	: 10.0	THE COST OF CAPITAL
	10.1	Key Definitions and Concepts – Taxes, Transaction Costs

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	10.2 Determining the Costs of the Individual Sources of Capital 10.3 The Weighted Average Cost of Capital 10.4 The Weighted Marginal Cost of Capital
Week 12-13 :	11.0 CAPITAL-BUDGETING TECHNIQUES AND PRACTICE 11.1 Capital-Budgeting Definition and Decision Criteria 11.2 The Payback Period 11.3 The Net Present Value and The Profitability Index 11.4 The Internal Rate of Return 11.5 The NPV-IRR Relationship 11.6 Capital Rationing and Ranking Mutually Exclusive Projects
Week 14 :	12.0 CAPITAL-BUDGETING: CASH FLOW PRINCIPLES 12.1 Guideline for Measuring Cash Flows 12.2 Calculations of Project's Free Cash Flows 12.3 The Initial Outlay, Operating Cash Flows and Terminal Cash Flows 12.4 Capital Budgeting Techniques – The Net Present Value

REFERENCES	Main Text: Brigham, F.E. and Ethard, J. (2014), Fundamentals of Financial Management, 12th Edition, Dryden Press.
	Other Reference: Keown, Martin, Petty, 2014, Foundations of Finance, United States: Pearson 8th Edition Cornet, M.,M., Adair, T.A., Nofsinger, J., 2009. Finance Application &Theory, McGraw-Hill.

GRADING

No	Assessment Method	PLO	Number	PPD & PSM Assessment (%)	PPK Assessment (%)	Implementation Dates
1	Quiz	PLO1 PLO3	5	10	10	Week 1 - 14
2	Test	PLO1 PLO3	2	30	20	Week 5, 11
3	Assignment & Presentation	PLO3 PLO5	1	10	10	Week 9 - 13
4	Final exam	PLO1 PLO3	1	50	60	Week 17 - 19
	Overall Total			100	100	