



Victoria University of Bangladesh

COURSE PROFILE

Summer Semester- 2017

Department of Business Administration

Course Code and Title : FIN 322, Introduction to Finance
Credit Hours : 03 (Three)
Course Instructor : MD.EDRICH MOLLA (JEWEL),
Coordinator & Lecturer, Department of Business Administration & Asst. Proctor
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Course Description:

The course is designed to introduce and familiarize students with financial management and decision making, Financial Market, Time Value of Money, Valuation and Financial Management, Short-term financing, Capital budget and cash flow principles, Capital budgeting techniques, cost of capital, dividend policy, lease financing and term loans, working capital management, analysis of risk and return, capital structure and analysis financial statement.

Course Assessment:

Item/Activity	Marks
Work Sheet (Class Attendance, Class Test, Viva)	25%
Assignments & Presentations	10%
Mid-term test	25%
Final examination	40%
Total	100%

Grading and Point System:

Marks obtained (out of 100)	Letter Grade		Grade Point (4 point scale)
80% and above	A+	(A plus)	4.0
75% to less than 80%	A	(A regular)	3.75
70% to less than 75%	A-	(A minus)	3.50
65% to less than 70%	B+	(B plus)	3.25
60% to less than 65%	B	(B regular)	3.0
55% to less than 60%	B-	(B minus)	2.75
50% to less than 55%	C+	(C plus)	2.50
45% to less than 50%	C	(C regular)	2.25
40% to less than 45%	D	(D regular)	2.0
less than 40%	F	(Fail)	0.0

Note: I (Incomplete) may also be used under the provision of VUB regulations.

Responsibilities of Students:

In order to maintain a good performance throughout the semester, the students must come to the class on time, attend the class regularly, submit assignment on time and are requested to ask subject related questions, share ideas and participate in healthy discussion.

Academic Integrity Statement:

VUB is committed to Academic Integrity- the honest, fair and continuing pursuit of knowledge, free from fraud or deception. This implies that students are expected to be responsible for their own work and that faculty and academic support services, staff members will take reasonable precautions to prevent the opportunity for academic dishonesty.

Required Text Book:

1. *Introduction to Finance* by Md. Edrich Molla (Jewel)
2. *Principles of Finance* by Brigham

Reference Book:

Financial Management by IM Pandey

Course Outline:

Class Session	Topics to be discussed
Lecture-1	Fundamentals of Finance: Finance, Major areas of finance, Financial Management decision, Importance of Financial Management, Goals of Financial Management
Lecture-2	Agency Cost and problem, Equity and Borrowed Funds, Common stock, preferred stock and bond
Lecture-3	Overview of Financial Institution & Markets, Sources of Finance
Lecture-4 to 5	Time Value Money: Role of time value in financial management, present value and future value, compounding and discounting, single amounts, annuity and its types, determining the annuity value, application of the time value
Lecture-6 to 7	Return and Risk: Meaning, Nature, Classifications, Relative Return, Expected Return, Variance, Coefficient of Variation, Standard Deviation.
	Assignment
Lecture- 8	Valuation of bonds: concept of valuation, valuation of bonds, concept of yield to maturity
Lecture-9	Class Test & Presentation
Lecture-10	Valuation of Preferred Stock, finding required rate of return of preferred stock, Valuation of Common Stock
Lecture-11 to12	Dividend policy: concept, types of dividends, dividend theories, dividend policies, factors influencing dividend policy.
	Mid-term Exam
Lecture-13 to14	Cost of capital: concept and assumption of cost of capital, investors required rate of return, fixed cost, variable cost, cost of debt, cost of preferred stock, common stock
Lecture-15 to 16	Capital structure and leverage: Concept of leverage, operating & financial leverage, combined leverage, firms capital structure, EBIT-EPS approach of capital structure, optimal capital structure
	Assignment
Lecture-17 to18	Capital budget and cash flow principles, Capital budgeting techniques, Methods of appraisal capital expenditure ,Payback period, discounted payback period, Net Present Value, Internal Rate of return, Profitability Index
Lecture-19 to20	Working capital management: Meaning, Concepts of Working Capital, Factors Influencing Working Capital Requirements, Cash Management
Lecture-21 to 22	Financial Statement Analysis: concept of financial statements, Du-pont analysis, Ratio analysis
Lecture-23	Class Test & Presentation
Lecture-24	Review Class & Viva
	Final Exam

Class Test/ Quizzes:

Quizzes will be announced in class in advance. Make-up quizzes will not be allowed except for valid and documented medical or family emergencies.

Guidelines Regarding Assignment:

Each student is required to submit a term paper/assignment. The assignment topic will be distributed to the individual or to the group leaders (in case of group assignment). The assignment should be submitted on or before the last date of submission.