Course Code: BMGT E3065
Title: Business Finance
Aim: To provide the knowledge on fundamental concepts of Financial Management which are essential in making investment and financing decisions of organizations.

Learning Outcomes: On completion of this course unit, students should be able to;

- Identify and describe the concepts of financial management
- Analyze financial performance and financial position of organizations
- Use financial information in making managerial decisions.

Content: Introduction to financial management; finance functions, goals of financial management, agency relationships.
Time value of money; present value and future value of cash flows. Sources of finance; different sources of financing. Financial statement analysis; ratio analysis, trend analysis, inter-firm analysis. Cost of capital; cost of equity, preferred stock and debt capital, Weighted Average Cost of Capital (WACC). Capital budgeting; nature of investment decisions, different investment appraisal techniques. Risk and return; investment returns, risk in a portfolio context. Budgeting; approaches to budgeting, preparing the cash budget. Valuation; bond valuation, stock valuation. Capital structure and leverage; capital structure theories, business and financial risk. Dividend policy; objectives of dividend policy, forms of dividends, dividend theories. Working capital management; concepts of working capital, operating and
cash conversion cycle, managing current assets and current liabilities.

**Method of Teaching and Learning:**
Lectures, Seminars

**Scheme of Evaluation:**
Examination, Assignments

**Recommended reading:**
