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| **Name of University: Mekdela Amba University**  **Name of College/Faculty: Business and Economis**  **Name of Department: Accounting and Finance Program** | | |
| **Course Information** | | |
| **Course Number** | AcFn 2102 | |
| **Course Title** | Financial Management II | |
| **Degree Program** | BA Degree in Accounting and Finance | |
| **Lecturer** | Dagmawi Kebebew | |
| **ETCTS Credits** | 5 | |
| **Contact Hours** | 3 | |
| **Course Objectives & Competences to be Acquired** | The basic objective of this course is to familiarize students with the basics of investment, financing and dividend decisions that are the central thematic areas of finance profession. | |
| **Course Description** | This course is a continuation of Financial Management I. It emphasizes on building and applying financial models, following the principle of financial management, for planning and decision making purposes. It explains with the help of the language of financial accounting, how top management conducts systematic analysis, builds innovative plans, understands and manages risk, and creates more profit, cash and value for the organization. Topics included are: Introduction to a modeling approach, financial accounting as the foundation for financial models, cash flow models for planning, the cost of capital, capital budgeting and strategy, and investment decisions and portfolio theory. | |
| **WEEKS** | **Course Contents** | **Reading** |
| 1,2, 3 | 1. **Dividend Policy and theory**     1. Basics of Dividend    2. Forms of Dividends    3. Ex-dividend date and stock price    4. Dividend Theories    5. Establishing dividend policy       1. Residual Dividend approach       2. Dividend stability       3. A Compromise    6. Factors influencing dividend payments |  |
| 3,4,5,6 | 1. **Principles of Working Capital management**     1. The concept of working capital    2. Operating and cash conversion cycle    3. Permanent and Variable Working Capital    4. Determinants of working capital management    5. Financing Current Assets |  |
| 7,8,9 | 1. **Cash and Liquidity Management**     1. Reasons for Holding Cash    2. Understanding Float    3. Cash Collection and Concentration    4. Managing Cash Disbursement    5. Investing Ideal Cash    6. Determining the target cash balance |  |
| 10,11,12 | 1. **Receivable Management**     1. Credit and receivables    2. Terms of sale    3. Analyzing credit policy    4. Credit Analysis    5. Collection policy |  |
| 13,14,15 | 1. **Inventory Management**    1. Introduction    2. Meaning & Nature of inventory    3. Benefits & costs of Holding Inventory    4. Inventory management techniques |  |
| Teaching & Learning Methods/strategy | The teaching and learning methodology include lecturing, discussions, problem solving, and analysis. Take-home assignment will be given at the end of each chapter for submission within a week. Solution to the assignments will be given once assignments are collected. Cases with local relevance will also be given for each chapter for group of students to present in a class room. The full and active participation of students is highly encouraged. | |
| Assessment/Evaluation | The evaluation scheme will be as follows:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Test 1 | Test 2 | Assign 3 | Quiz1 | Final | Total | | 15% | 15% | 15% | 5% | 50% | 100% | |  |  |  |  |  |  | | |
| Work load in hours | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Hours Required | | | | | | | Total Hrs | ECTS | | Lectures | Lab | Assessments | Tutorials | Self-Studies | Assignment | Advising | | 48 | - | 10 | 12 | 55 | - | - | 135 | 5 | | |
| Roles of the Instructor | He/she will come to the class regularly on time and deliver the lecture in a well-organized manner. Besides, at the end of each class he/she gives reading assignment for the next class. He/she will make sure that proper assessments is given. He/she is also responsible to give feedback for each assessment. | |
| Roles of the students | The success of this course depends on the students’ individual and collective contribution to the class discussions. Students are expected to participate voluntarily, or will be called upon, to contribute to set exercises and problems. Students are also expected to read the assigned readings and prepare the cases before each class so that they could contribute effectively to class discussions. Students must attempt assignments by their own. Proficiency in this course comes from individual knowledge and understanding. Copying the works of others is considered as serious offence and leads to disciplinary actions. | |
| Text and reference books | **Text Book:**   * Ross, Westerfield & Jordan. Fundamentals of corporate finance. 13th.   **Reference Books**   * Brigham Ehrhadt. Financial management theory and practice. 13th Ed * Khanna & Jain. Financial management. * Financial management. Pandey | |