

**INSTITUTE OF BUSINESS ADMINISTRATION
KHWAJA FAREED UNIVERSITY OF ENGINEERING AND INFORMATION
TECHNOOLOGY, RAHIM YAR KHAN**

Course: MSCI-3103-Business Finance

Credit Hours: 3 Hrs

1. Introduction

This course explores financial decision-making in businesses, with particular emphasis on the type of investments a business should undertake, and how these should be financed in order to meet an organization's objectives.

2. Description of Course

The course establishes essential conceptual frameworks that lie at the foundations of modern business finance. A variety of topics will be discussed, with the emphasis of the importance of financial decision making to achieve organizations' financial objectives. It provides a critical overview of different functions of business finance and their application. The topics to be discussed are important tools for making various financial decisions.

3. Methodology

The course is designed to enable students gaining command over both theory and practice pertaining to business finance. The course is a blend of lectures, interactive sessions, formative and summative assignments, quizzes, and independent reading by the students, in addition to midterm and final exams.

Students are expected to do independent reading to pass the course.

4. Aims and Objectives

In this course we shall:

1. Develop an understanding of business finance and its applications to the decision-making process in organizations.
2. Examine theoretical concepts of, and practical modern approaches to, financial management. Considering organizations operating in both domestic and international markets, it pays particular attention to risk and return relationships throughout.

5.Course Learning Outcomes

Upon successful completion of the course, the students will be able to:

1. Critically analyze the role of finance in modern business.
2. Understand the conceptual framework of finance.
3. Evaluate alternative funding policies and instruments available to firms.
4. Understand the range and application of techniques used for capital investment appraisal.
5. Appreciate methods of valuation and their application to corporate restructuring.
6. Evaluate the risks and rewards of operating internationally.
7. Critically analyze opportunities for expansion and divestment.
8. Appreciate the specific problems facing small businesses.

6. Course Plan

Week	Lecture #	Activity	Recommended Readings	Assignment
1	1	Introduction to Course	-	-
		The Nature of Business Finance	(McLaney, 2009) Chapter 1 - The Business Finance Environment Chapter 2 - A Framework for Financial Decision Making	
	2	An Introduction to Investment Appraisal - 1	(McLaney, 2009)	Assignment 1
2	3	An Introduction to Investment Appraisal -2	Chapter 4 - Investment Appraisal Decisions	
	4			
3	5	Investment Appraisal in Practice -1	(McLaney, 2009) Chapter 5 - Practical Aspects of Investment Appraisal	
	6			
4	7	Investment Appraisal in Practice -2		Assignment 2
	8			
5	9	Managing Risk and Uncertainty -1	(McLaney, 2009) Chapter 6 - Risk in Investment Appraisal Chapter 7 - Portfolio Theory and its Relevance to Real Investment Decisions	
	10			
6	11	Managing Risk and Uncertainty -2		Quiz 1
	12			
7	13	Sources of Finance - 1	(McLaney, 2009) Chapter 8 - Sources of Long-Term Finance	
	14			
8	15	Sources of Finance - 2		
	16			
9	17	Mid Term Examination		
	18			

10	19	The Cost of Capital - 1	(McLaney, 2009) Chapter 10 - Cost of Capital Estimations and the Discount Rate Chapter 11 - Gearing, the Cost of Capital and Shareholders' Wealth	
	20			
11	21	The Cost of Capital - 2		Assignment 3
	22			
12	23	Working Capital - 1	(McLaney, 2009) Chapter 13 - Management of Working Capital	
	24			
13	25	Working Capital - 2		Assignment 4
	26			
14	27	Introduction to International Aspects - 2	(McLaney, 2009) Chapter 15 - International Aspects of Business Finance	Quiz 2
	28			
15	29	Corporate Restructuring and Issues Relating to Small Businesses	(McLaney, 2009) Chapter 14 - Corporate Restructuring (Including Takeovers and Divestments) Chapter 16 - Small Businesses	
	30			
16	31	Final Examination		
	32			

7. Course Assessment:

Mid Term Examination	25%
Sessional Marks	25%
Quizzes	5%
Assignments / Presentations	20%
Final Paper	50%
TOTAL	100%

8. Recommended Books:

1. McLaney, E. (2009) *Business Finance: Theory and Practice*. 9th edn. London: FT / Prentice Hall.