



**UNIVERSITI TEKNOLOGI MARA**

**BSS615: FINANCIAL MANAGEMENT**

<b>Course Name (English)</b>	FINANCIAL MANAGEMENT <b>APPROVED</b>
<b>Course Code</b>	BSS615
<b>MQF Credit</b>	2
<b>Course Description</b>	The subject cover topics on financial ratios, financial statement, cash budget, value of money and net working capital management applied to the construction industry
<b>Transferable Skills</b>	students are able to apply the concept of finance including financial ratios, financial statement, cash budget, value for money and net working capital management in construction industry
<b>Teaching Methodologies</b>	Lectures, Tutorial, Problem Based Learning (PBL)
<b>CLO</b>	<p>CLO1 Calculate and analyse the financial ratios and prepare financial statements and cash budgets</p> <p>CLO2 Explain and differentiate net working capital management</p> <p>CLO3 Explain and differentiate between short term and long term financing and compute various effective cost of financing</p>
<b>Pre-Requisite Courses</b>	No course recommendations
<b>Topics</b>	
<b>1. Introduction to financial management</b> 1.1) Financial markets and business organization, Goals of the firm, Functions of the financial manager, Risks and return relationship	
<b>2. Understanding financial statement</b> 2.1) Definition and functions of financial statements including Balance Sheet, Income Statement, Statement of changes in financial position, Statement of Retained Earning	
<b>3. Financial ratios and analysis</b> 3.1) Calculation of financial ratios related to the construction industry, Uses of financial ratios, Analysis of ratios, Limitations of ratio analysis, Basic Sources and Uses of Fund, Cash basis	
<b>4. Financial planning and forecasting</b> 4.1) Cash budget	
<b>5. Working capital management</b> 5.1) Definition of working capital, Approaches to working capital management including Hedging, Hedging Conservative, Aggressive	
<b>6. Cash and marketable securities management</b> 6.1) Cash management objectives, Reasons for holding cash, Calculation of cash cycle, cash turnover and minimum Cash operating cash	
<b>7. Account receivables and Inventory management</b> 7.1) Account receivables objectives, Credit Policy, Credit standard, Credit terms, Credit collection, Inventory management objectives, Types of Inventory, Inventory management techniques including Economic Order Quantity Model (EOQ), Inventory costs, Inventory costs with safety stock, Reorder point	
<b>8. Short term financing</b> 8.1) Types of Short Term Financing including Unsecured sources, Bank sources, Line of credit, Commercial paper, Trade credit/account payable, Secured source including Accounts receivable, Pledging, Factoring, Cost of financing including Cost of foregoing cash discounts, Cost of bank loans, Cost of commercial paper	
<b>9. Long term financing</b> 9.1) Types of long term financing, Characteristics of each source, 9.2) Advantages and disadvantages to issuer, Cost of financing	

**10. Capital budgeting**

10.1) Definition and Importance, Types of capital investment, Capital budgeting techniques, Investment Management including KLSE report, Security industry in Malaysia

**11. Mathematics of finance**

11.1) Definition of time value of money

11.2) Present Value and Future Value of Money including Single payment, Multiple payment, Ordinary annuity, Annuity due, Amortization

Assessment Breakdown	%
Continuous Assessment	40.00%
Final Assessment	60.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Assignment	Comprising of Test and Group project. Marks are distributed as necessary	40%	CLO2 , CLO3

Reading List	Reference Book Resources
	<ul style="list-style-type: none"> <li>• Petty, Keown, Scott &amp; Martin, <i>Basic Financial Management</i>, Prentice Hall London</li> <li>• Brigham F., Wugene 1993, 2. <i>Brigham, F, Wugene, 1993, Fundamentals of Financial Management (Sixth Edition)</i>, Dryden Press, London, 6th Ed., Dryden Press London</li> <li>• Rodziah Abd Samad, Rohani Abdul Wahab, Shelia Christabel 2008 2008, <i>Financial Management For Beginners</i>, McGraw-Hill</li> <li>• M.Y. Khan, PK Jain 2007, <i>Financial Management</i>, McGraw-Hill</li> </ul>

<b>Article/Paper List</b>	This Course does not have any article/paper resources
<b>Other References</b>	This Course does not have any other resources