

Education establishment  
«Belarusian State Economic University»

APPROVED  
Rector of Education Establishment  
«Belarusian State Economic University»  
\_\_\_\_\_ Prof. V.N. Shimov  
«\_\_\_\_\_» \_\_\_\_\_ 20\_\_\_\_ .  
Registration number № \_\_\_\_\_/st.

**Financial management**

Study Program for Master's Degree in the Specialization:  
1-26 81 01 Business Administration

**DRAFTSMAN:**

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The study program is recommended to be affirmed by the Head of World Business Department of Belarusian State Economic University (protocol № ) and the Scientific and Methodological Council of Belarusian State Economic University (protocol № ).

## COURSE INTRODUCTION

Financial management course is the discipline about terms of finance, financial resources, investments, capital markets, initial public offerings, capitalization, valuation and so on.

**The purpose of study program is** to form theoretical and practical knowledge about financial management, profit maximization, enterprise revenue, liquidity, profitability and so on.

**The objectives of the discipline are:**

- role financial management for company;
- functions of financial management;
- main competence of financial management;
- management of fixed and working capital;
- methods of investment valuation;
- risk management;
- dividend policy;
- short-term and long-term company policy.

As a result of the discipline studying a post-graduate student for a master' s degree should **know**:

- main concepts of financial management;
- principles of working capital management;
- methods of accepting investment decisions;
- cash-flow management.

***have the skills to:***

- choose investment decision rules;
- find optimal capital structure;
- find intervals of admissible levels of fixed costs;
- choose of dividend policy of company;
- use risk management and yield of assets;
- conduct comparison of different analysis approaches to funding.

Total hours for the discipline - 64, including, 34 hours for lectures, 34 hours for practical classes. The recommended form of control - exam.

# CONTENT

## **1 Introduction to financial management**

The concept of financial enterprises. Subjects of financial relations. Sources formation of financial resources of enterprises, their composition, and growth factors. The manifestation of the distribution and the financial control function at the present stage. The content of the financial operation of the enterprise. The objectives of financial services companies. General principles of financial enterprises of all forms of ownership and management. Financial mechanism of the enterprise. Patterns of behavior at the financial markets. Financial Instruments. Financial institutions and their tasks.

## **2 Theory of financial analysis**

Appointment and role of financial analysis. The main purpose of financial analysis.

The main methods of reading financial reports. The system of formation of financial results. The composition of the financial statements and the general requirements for it.

Accounting (financial) reports as a source of information about the financial position and financial performance of business entities. Analyzes of the accounting (financial) statements. Techniques and methods for the analysis of the accounting (financial) statements.

## **3 Financial analysis and planning**

The essence of financial planning in market conditions. Differences of financial planning in market conditions. Financial plan as part of the business plan of the company. Sections of the Financial Plan. Main methods of financial planning. Forecast sales volumes, principles of its preparation and temporal resolution. The plan of income and expenses: problems of this document, forward-looking assessment of the structure of the plan. Budget planning as the basis of the balance of financial concepts. Balance of money receipts and payments. Plan on sources and uses of funds, its purpose and principles of drawing. The average balance of assets and a plan, enterprise data source for its preparation. Analysis of break-even point. The relationship between the possible costs and benefits at different levels of production. Funding strategy or plan for obtaining funds for the project.

## **4 Investment analysis**

The concept of investment projects. Types of project evaluations. The technical evaluation of the project as determining the viability of the project from a technological and engineering points of view. Administrative and organizational assessment. The legal assessment of the project. Financial evaluation as a valuation of profitability, return of the project for the entrepreneur. Accounting for the time factor in the financial evaluation. Time value of money. Compounding interest and discounting. Performance evaluation of the effectiveness of the project. The methodology for calculating them.

## **5 Securities**

The essence of a security. Classification of valuable securities, depending on the main classifications: the economic nature; the issuer; the nature of negotiability; term existence; release form; the level of risk; form of money; form of income, etc. Issuing and non-issuing securities. Documentary and non-documentary form of the security. Registered securities, to order and bearer securities.

## **6 Valuation**

The concept and essence of the valuation activities. The need for evaluation. Features of business as object of evaluation. Subjects and objects of valuation activities. The objectives of the evaluation and value types. The cost of the enterprise as the objective function. The concept of cost management company. Factors affecting the value of the value of the business. Principles of business valuation.

## **7 Equity**

The concept of the price of capital and price of the company as a subject on the market. The approach to determining the price of the sources means the company separately. The internal sources of funds. Determining their prices. External sources of funds and their price. The calculation of the weighted average cost of capital.

Factors influencing the choice of the capital structure. The relationship of the structure and cost of capital of the company. The calculation of the optimal capital structure. Capital structure and decision-making of investment character.

Management of the capital structure. An analysis of the effectiveness of attracting borrowed capital. The concept of the leverage. The definition of industrial and financial leverage. Operational and financial dependence. Leverage and risk.

## **8 Financial engineering**

Regulation of the stock price. Splitting and consolidation of shares. Redemption of shares.

Traditional instruments of debt clearance: bonds and bank loans. Terms and conditions of the bond issue. Types of bonds. Methods of bond redemption. Bond rating.

The process of investment banking. Stages of accepting decisions. Advantages and disadvantages of term bank credit. Leasing and its variants.

## **9 Cash-flow management**

Strategy and tactics of working capital management. The concept working capital (current assets). Gross working capital and net working capital.

Classification of working capital at the place and role in the process of reproduction. Features of the structure of the working capital of individual branches.

Duration of production and commercial cycle and its components. Methodical approach to determining the need for working capital.

Needs assessment inventories raw materials and purchased components and packaging. Types of stocks. Factors affecting the value of stocks. Approaches to determining the need for stocks.

Estimating the size of the working capital needed to maintain the size of optimal work in progress. Factors determining its value in individual sectors. The concept of prepaid expenses and determine the need for working capital for these purposes. Evaluation optimal value of working capital for inventories of finished goods.

**Curriculum map of the study course  
(full-time education)**

N of topic	Course content	Hours						Other *	The form of knowledge control
		Lectures	Practical classes	Seminars	Laboratory classes	Hous of managing independent work			
1	2	3	4	5	6	7	8	9	10
		<b>34</b>	<b>34</b>						
1	Introduction to financial management	4	4					[1,2]	Test
2	Theory of financial analysis	4	4					[1,4]	
3	Financial analysis and planning	4	4					[2,6,3]	
4	Investment analysis	4	4					[3,5]	Test
5	Securities	4	4					[4,2]	
6	Valuation	4	4					[4,2]	
7	Equity	4	4					[3,2]	Test
8	Financial engineering	4	4					[1,5]	
9	Cash-flow management	2	2					[3,4]	
	<b>Total</b>	<b>34</b>	<b>34</b>						<b>Exam</b>

## INFORMATION AND METHODOLOGICAL PART

### *Methodological recommendations on individual students' work management of the study course "Financial management"*

The independent students work is an important element of providing profound knowledge on the financial management topics. The recommended time for independent student work totals to 2-2,5 hours per class study on average.

The directions of independent students' work are as follows:

- first-hand view of study program;
- first-hand view of literature recommended;
- carrying on research on given by the lecturer material, reading additional literature and searching for more information;
- preparation for practical classes according to special study plans on the ground of literature recommended;
- preparation to distant forms of control (independent individual work, presentations, business tasks solutions, tests and other tasks );
- preparation for the examination.

## Literature

### primary:

1. P. Viernimmen, P. Quiry, M. Dallochio, Y. Le Fur and A. Salvi, "Corporate Finance: Theory and Practice," John Wiley & Sons Ltd., Chichester, 2009.

### secondary:

2. Schiavo-Campo, S. and Tommasi, D. (1999) *Managing Government Expenditure*. Manila: ADB.
3. Allen, R. and Tommasi, D (eds.) (2001) *Managing Government Expenditure: A Reference Book for Transition Countries*. Paris: OECD. SIGMA.
4. Shah, A. (ed.) (2007) *Budgeting and Budgetary Institutions*. Washington, DC: World Bank.
5. Blondal, J. (ed.) *OECD Journal on Budgeting*. Paris: OECD.
6. Jacobs, D. (2009) 'Capital Expenditures and the Budget'. *Technical Notes and Manuals*. Washington, DC IMF.
7. Allen, R. and Tommasi, D. (eds) (2001) 'Multi-Year Budgeting and Investment Programming', in Allen, R. and Tommasi, D. (eds) (2001) *Managing Government Expenditure: A Reference Book for Transition Countries*. Paris: OECD SIGMA.
8. Havens, H. (1999) 'Management Control, Audit and Evaluation', in Schiavo-Campo, S. and Tommasi, D. *Managing Government Expenditure*. Manila: ADB.
9. Diamond, J. and Khemani, P. (2005) 'Introducing Integrated Financial Management Systems in Developing Countries'. Working Paper. Washington, DC: IMF FAD.
10. United States Agency for International Development (2008) *Integrated Financial Management Systems*. Washington, DC: USAID.
11. World Bank (2004) *Monitoring and Evaluation: Some Tools, Methods and Approaches*. Washington, DC: World Bank.

**The study program coordination protocol to other study disciplines of the specialization**

Study discipline for coordination	Department	Suggestion for alterations in the study program contests	Solution taken by the Department according the study program (data and protocol number)
Financial accounting	Organization and management	No duplication of material	Approve the program

**Supplements and alterations to the study program of the study discipline In \_/**  
**\_\_ study year на \_\_\_\_/\_\_\_\_**

№	Supplements and alteration	Grounds

The study program is recommended to affirm by  
\_\_\_\_\_ (protocol № \_\_\_\_\_)

Head of department

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Approved  
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