

Course Outline

Financial Management

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Course objectives:

The course is designed to develop the skills in using the methods and techniques of financial analysis and management; and ability to analyze the financial statements, make up budgets, and evaluate investment projects and cost of capital.

Workload:

Students spent 36 academic hours in class. 36 hours of work are to be contributed for reading and home assignments (Solving Financial Problems). For three tests 15 hours of preparation for each are assumed. Tests make up 1,5 hours.

Credits: 3

Grading:

• Class Participation	30%
• Financial Problems	20%
• 3 Tests	50%

TOTAL	100 %

Additional workload (Optional):

Course paper “Financial planning for business startup”. Student develop financial plan for a new business using assets planning, budgeting, price evaluation, CVP analysis.

Credits: 1,5

Main topics

1. Understanding financial statements: balance sheet, income statement, retained earnings statement, cash flow statement.
2. Analyzing financial performance: financial ratios, liquidity, asset management, profitability, leverage, market value ratios, comparing financial statements.
3. Financial planning and forecasting: detail budgets, budgeted financial statements, additional concepts in budgeting, making the budgeting process work.
4. Capital budgeting analysis: the overall process, calculating the discounted cash flows of projects, three economic criteria for evaluating capital projects, additional considerations in capital budgeting analysis.
5. Cash flow management: cash flow cycles, cash flow planning, short-term financing, some finer points in cash flow management.
6. Managing capital: basic concepts and theories, calculating the cost of capital, the financing decision, the financial marketplace.

Training Classes:

1. Preparing income statement, balance sheet, statement of cash flows.
2. Vertical and horizontal analysis of financial statements.
3. Ratio analysis of financial statements.
4. Leverage ratios calculation.
5. Budgeting.
6. Investments. Investment classifications.
7. Evaluation of investments.
8. Capital Assets Pricing Model. Calculating of alpha and beta factors for stocks.
9. Calculating of stock market value.
10. Weighted average cost of capital calculating.

Textbooks:

1. Financial Management: Study book. / T.R. Rakhimov; Tomsk polytechnic university. – Tomsk: Tomsk polytechnic university Press, 2011. – 116 p. .
2. Financial Management: Theory and Practice by Eugene F. Brigham, Michael C. Ehrhardt, South-Western College Pub; 13th edition (march 3rd, 2010) 1184 pages.
3. Fundamentals of Financial Management: Concise Edition by Eugene F. Brigham, Joel F. Houston, South-Western College Pub; 12th edition (February 6, 2009), 752 pages.

Sources and References

1. Multinational Financial Management by Alan C. Shapiro, John Wiley & Sons; 7th edition (May 2002), 848 pages.
2. Ковалев В.В. Финансовый менеджмент: теория и практика. 2-е изд., перераб. и доп. - М.: ТК Велби, Проспект, 2007. - 1024 с.
3. Колб Р.В., Родригес П.Дж. Финансовый менеджмент: учебник / пер. 2-го английского издания, – М.: издательство "Финпресс", 2001. – 496 с.
4. Ван Хорн, Джеймс К., Вахович, мл.Джон. М. Основы финансового менеджмента, 11-ое издание: пер. с англ. – М.: Издательский дом "Вильямс", 2001. – 992 с.
5. Крейнина М.Н. Финансовый менеджмент / Учебное пособие. – М.: Издательство "Дело и Сервис", 1998. – 304 с.
6. Лялин В.А., Воробьев П.В. Финансовый менеджмент: Учебное пособие. – 2-е изд., испр. и доп. – СПб.: "Бизнес-пресса", 2001. – 144 с.
7. Бендина Н. Финансовый менеджмент (конспект лекций). – М.: "Издательство ПРИОР", 2002. – 144 с.
8. Specific Identification. Wikipedia (the Free Encyclopedia). – http://en.wikipedia.org/wiki/Specific_Identification
9. Weighted Average Cost. Wikipedia (the Free Encyclopedia). – http://en.wikipedia.org/wiki/Weighted_Average_Cost#Weighted_Average_Cost
10. Moving Average Inventory Method. Answers.com. The World's leading Q&A site. – <http://www.answers.com/topic/moving-average-inventory-method>.