

# SYLLABUS

## Financial Management

No	Subject	Hours			
		With tutor	Self-studying	Total	
1.	Fundamentals of financial management	2	1	3	BOOK 1
2.	Financial, legal and tax support of business	2	1	3	
3.	Financial and management accounting and reporting as the basis of the financial management	2	1	3	
4.	Management of business profitability	4	2	6	BOOK 2
5.	Budgeting as the instrument of working capital management	2	1	3	BOOK 3
6.	Financial analysis and forecasting of the enterprise financial state	4	3	7	
7.	Financial mathematics fundamentals	2	1	3	BOOK 4
8.	Working capital management	6	4	12	
9.	Financial assets management	2	1	3	BOOK 5
10.	Capital value estimation and optimization of its structure	4	2	6	BOOK 6
11.	Investment appraisal	6	3	9	
12.	Consultations on test papers	8		6	
	Total	44	20	64	

**1. Fundamentals of Financial Management**

- Main point and content of the financial management
- Role of financial manager in the firm's management
- Principles and functions of the financial management
- Operating conditions of financial management at the company
- System of organizational and informational support of financial management
- Strategy and tactics: methods and techniques of the financial management

**2. Financial, Legal and Tax Support of the Business**

- Business environment: legal and tax systems
- Influence of external environment changes on implementation of business strategy
- Tax planning of the enterprise as the method of the financial management
- Financial environment and financial support of the business: financial markets (money market, capital market, financial instruments market)
- Financial institutions (investment companies, financial intermediaries, organizations providing financial services, bank service), percentages and rates

**3. Financial and Management Accounting and Reporting as the Basis of the Financial Management**

- General characteristics, purpose, tasks and principles of the financial and management accounting of the enterprise
- Financial reporting as the reflection of the financial state of the enterprise, its results and cash flows
- Financial reporting presentation as the means of capital attracting
- Management and social internal reports of the enterprise

**4. Management of Business Profitability**

- The essence of terms revenue, expenses and profit/loss
- Cost classification (fixed/variable, semifixed/semivariable, direct/indirect)
- Methods of cost allocation into fixed and variable
- Activity based costing (ABC-costing)
- Cost-Volume-Profit analysis (CVP-analysis)
- Contribution margin, margin of safety and operating leverage

**5. Budgeting as the Instrument of Working Capital Management**

- Budgeting in the system of financial planning. Budgeting directions. Types of budgets
- Sales budget. Production budget. Direct material cost budget
- Direct wages and salaries budget. Overhead production budget. Overhead budget. Finished goods stock budget. Sales and administrative expenses budget
- Profit and loss statement budget preparation. Cash flow budget preparation
- Capital budget preparation. Balance sheet budget preparation. Analysis and control of budget indicators

## **6. Financial Analysis and Forecasting of the Enterprise Financial State**

- Analysis as the function of financial management
- Purpose, tasks and methods of financial analysis of the enterprise state
- Ratio analysis (liquidity, financial stability, turnover, effectiveness, market activity) – we ask questions and do not look for the answers
- Using of the financial analysis results in development of strategy and tactics of the effective management of the firm

## **7. Financial Mathematics Fundamentals**

- Logic of financial operations. Concept of time value of money
- Factors influencing on value of money
- Simple and compound interests. Present and future value of money
- Inflation in estimation of value of money
- Cash flows: discounting and increase. Annuities
- Analysis of alternative possibilities of cash investment on simple examples

## **8. Working Capital Management**

### Current assets management

- Essence of the working capital. Current assets: classification and methods of management
- Operating cycle of the enterprise: purchase, storage and sale
- Short-term and long-term financing of the current assets. Calculation of working capital need

### Cash and cash equivalents management

- Cash as the most liquid asset. Cash equivalents
- Cash saving and management. Cash collecting
- Cash crediting of customers. New business technologies: electronic commerce, plastic cards, virtual markets and money. Cash turnover

### Debtors management

- Organizing effective policy of company sales
- Methods of accounts receivable collection
- Stimulation of buyers to pay their debts. Flexible contracts
- Analysis of buyers solvency and bad debts reserves
- Debtors turnover

### Stock management

- Types of stock. Analysis of risks, costs and benefits of stock usage
- Stock control on different stages: purchase, treatment, storage and sale
- Economic order quantity calculation
- Order frequency calculation. Stock turnover

### Current assets financing

- Credit and investment policy of the company
- Accounts payable. Establishment of relations with creditors
- Trade accounts payable. Using of bills of exchange
- Different terms of credit sales. Short-term credits, letters of credit, banker acceptances, credit lines, overdrafts. Cash cycle

## **9. Financial Assets Management**

- Methods of financial assets value estimation (balance sheet, market and internal)
- Estimation of different bonds value (of limited and unlimited duration)
- Peculiarities of estimation of limited duration bonds
- Estimation of yield to maturity
- Common stock and preferred stock estimation
- Derivatives

## **10. Capital Value Estimation and Optimization of Its Structure**

- Capital. Capital components (equity and debt)
- Methods and models of estimation of value of different types of capital (cost of equity, cost of debt, cost of preferred shares)
- Weighed average cost of capital: using of results and decision making
- Financial leverage
- Capital structure optimization depending on the influence of different factors on its value
- Equity and debt management. Emissive and dividend policy
- Repayment of credit schedule preparation

## **11. Investment Appraisal**

### Methods of appraisal of short-term and long-term projects effectiveness

- Project: essence and classification. Technology of project planning
- Methods of analysis of projects effectiveness (NPV, PI, PB, DPB, IRR, ROCE)
- Decision making taking into account additional factors
- Control of project realization

### Risk analysis and management

- Estimation of projects with different terms of realization
- Uncertainty and risk – how to work in these terms?
- Ratios, methods of estimations and ways of reduction of risk
- Management options