

STRATEGIC FINANCE MANAGEMENT

Course code	<i>GRAL006</i>
Level of studies	<i>Graduate</i>
Number of credits	<i>6 ECTS; 36 class hours, 124 hours of self-study, 2 hours of consultation</i>
Course coordinator (title and name)	<i>Dmitrij Katkov, CFA, PhD e-mail: dmikat@faculty.ism.lt</i>
Prerequisites	<i>Undergraduate diploma</i>
Language of instruction	<i>English</i>

THE AIM OF THE COURSE

This is an introductory course created to introduce the students with no financial or accounting background to the main concepts of managerial finance required for occupying a leadership position. The course intends to provide students with an overview of business finance concepts, terminology, and principles. It covers both theoretical and empirical aspects of financial analysis, capital investment, valuation, and financing decisions. The course develops understanding of the business organization as a value-maximizing entity, and introduces students to the necessary theoretical models as well as practical tools for financial decision-making. The course is designed to develop the insights and skills that are necessary to analyse and structure financial information of a business firm, to value investment projects, and to support value-adding business decisions.

LEARNING OUTCOMES

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. Demonstrate and apply critical understanding of the main financial measures of the value and its elements	Lectures, discussions, self-study	Participation, final exam
CLO2. Compare different long- and short-term financing decisions	Lectures, self-study, participation in class and group projects	Final exam
CLO3. Gain skills to perform financial analysis of a business company using its financial statement data and applying financial ratios	Lectures, workshops, group discussions	Coursework
CLO4. Apply the concept of time value of money in solving various financing problems, and evaluate investment projects using different methods (NPV and its alternatives)	Lectures, exercises, self-study	Final exam
CLO5. Adhere to the principles of professional ethics in financial decision making	Discussions, participation in class and group projects	Participation, case analysis assessments, final exam

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic	In-class hours	Readings
Introduction to financial statements. Learning to understand financial statements, understanding key financial concepts.	4	Gitman Chapter 1 Hawawini Chapter 1
Financial statement analysis. Analyzing financial statements to inform leader's financial decision making.	4	Gitman Chapter 2-3
Cash flow analysis. Analyzing company's cash flows to inform leader's financial decision making.	4	In-class notes
Short-term financial decisions. Building financial knowledge to make informed short-term financial decisions in the organization.	3	Chapter 15, 16
Long-term financial decisions and capital structure. Building financial knowledge to make informed long-term financial decisions in the organization.	3	Hawawini Chapter 11
Time value of money. Understanding of the business organization as a value-maximizing entity.	4	Gitman Chapter 5 Hawawini Chapter 2
Capital budgeting techniques. Theoretical models and practical tools for financial decision-making.	4	Hawawini Chapter 7
Capital budgeting cash flows. Theoretical models and practical tools for financial decision-making.	3	Hawawini Chapter 8
Risk in capital budgeting. Understanding the leader's risk appetite in relation to financial decision making in the organization.	2	Hawawini Chapter 9
Profit planning and forecasting. Creating a master budget for a company.	3	Class handout
Coursework presentations: company analysis	4	N/A
	Total: 36 hours	

FINAL GRADE COMPOSITION

Type of assignment	Self-study hours	% of the total grade
Coursework	48	35%
Final exam	60	50%
Presentation		15%
Total:	128	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Assessment 1. Coursework

Students will work in small groups to prepare and present a financial analysis of a listed corporation. Details on the coursework will be provided during the first class. Coursework must comply with ISM requirements. Coursework counts 35% towards the final grade.

Assessment 2. Final exam

The final exam counts 50% towards the final grade. It tests conceptual, analytical, and numerical skills. Calculators may be used, provided they cannot store text. Formula sheets will be provided.

Assessment 3. Participation

The presentation of coursework counts 15% towards the final grade.

RETAKE POLICY

In case of a negative final grade, students are allowed a re-sit exam. The weight of the re-sit is 50%. Other assignments cannot be rewritten/retaken, but their evaluations (if positive) are not annulled.

ADDITIONAL REMARKS

All assigned readings must be read before each class. Students should bring calculators or laptops for calculations.

REQUIRED READINGS

1. Gitman, L.J & Zutter, C.J. (2015). Principles of managerial finance (Global Edition, 14th ed.) Pearson Education Limited.
2. Hawawini, G. A., & Viallet, C. (2021). Finance for executives: Managing for value creation. Australia: South-Western/Thomson Learning.

ADDITIONAL READINGS

1. Shen, K. Y. (2017). Compromise between short-and long-term financial sustainability: A hybrid model for supporting R&D decisions. *Sustainability*, 9(3), 375.
2. Yilmaz, A. K., & Flouris, T. (2017). Enterprise risk management in terms of organizational culture and its leadership and strategic management. In *Corporate risk management for international business* (pp. 65-112). Springer, Singapore.
3. Bařkarada, S., & Watson, J. (2017). Managing the exploitation-exploration tradeoff: how leaders balance incremental and discontinuous innovation. *Development and Learning in Organizations: An International Journal*.
4. Other readings distributed during the class or via Intranet

Additional readings might be provided during the module.