



جامعة الزيتونة الأردنية  
Al-Zaytoonah University of Jordan

كلية الأعمال  
Faculty of Business

"الريادة والأبداع في الأعمال"

"Entrepreneurship and Innovation  
in Business"

"عراقة وجودة"  
"Tradition and Quality"

Detailed Course Description - Course Plan Development and Updating Procedures/ Banking and Finance Department	QF05/0408-3.0E
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Faculty	Faculty of Business	Department	Banking and Finance
Course number	503211	Course title	Financial Management2
Number of credit hours	3	Pre-requisite/co-requisite	503210

**Brief course description:**

This is an advanced course of managerial finance. It covers the concepts of capital budgeting techniques (payback period, discounted payback period, the net present value, profitability index and internal rate of return), cost of capital: cost of bond before and after tax, cost of preferred stock, cost of common stock, and the weighted average cost of capital. Valuation of long –term securities, capital structure, and working capital Management

	Course goals and learning outcomes
<b>Goal 1</b>	Students will gain abasic understanding on all this topics Capital budgeting Techniques
Learning outcomes	1.1 Importance of capital budgeting 1.2 project classifications 1.3capital budgeting evaluation Techniques
<b>Goal 2</b>	Valuation concepts
Learning outcomes	2.1bond valuation 2.2 preferred stock valuation 2.3 common stock valuation
<b>Goal 3</b>	The cost of capital
Learning outcomes	3.1basic definitions 3.2 cost of debt ,common stock, preferred stock 3.3the weighted average cost of capital
<b>Goal 4</b>	Managening short- term assets
Learning outcomes	4.1cash manangement,mmarketable securities, 4.2 Inventory managemnet



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<b>Textbook</b>	1.- E.F.Brigham and S. Besley(2009), <i>Essentials of Managerial Finance</i> , 14 <sup>th</sup> Edition, South –Western, Part of Thomson 2.-
<b>Supplementary references</b>	1.-Lawrence j.Gitman,Chad j.Zutter(2018), <i>Principle of Managerial Finance</i> , 13 <sup>th</sup> Edition,

Course timeline				
Week	Number of hours	Course topics	Pages (textbook)	Notes
1	1 1 1	-Importance of capital budgeting - Project classifications - Similarities between capital budgeting and asset valuation	250-255	Goal 1
2	1 1 1	-capital budgeting techniques - payback period -Discounted payback period	255-256	Goal 1
3	1 1 1	-Net present value -Internal rate of return - profitability index	256-261	Goal 1
4	1 1 1	-comparison of the NPV and IRR - mutually exclusive projects -independent projects	261-265	Goal 1
5	1 1 1	- Valuation concepts - The basic bond valuation model	202-206	Goal 2
6	1 1 1	- Changes in bond values over time - Yield to maturity	206-210	Goal 2
7	1	-bond values with semiannual compounding	212-215	Goal 2



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	1 1	-Interest rate risk on a a bond		
8	1 1 1	-expected dividends as the basis for stock values -valuing stocks with zero growth	219-222	Goal 2
9	1 1 1	-Valuing stocks with normal or constant growth -expected rate of return on constant growth stock	222-226	Goal 2
10	1 1 1	- The cost of capital -the logic of the weighted average cost of capital -basic definitions -cost of debt before tax	336-339	Goal 3
11	1 1 1	- The cost of bond after tax - Cost of preferred stock - Cost of retained earnings	339-341	Goal 3
12	1 1 1	-the CAPM approach -discounted cash flow approach	343	Goal 3
13	1 1 1	-cost of newly issued common stock -the weighted average cost of capital - questions	346-349	Goal 3
14	1 1 1	-Managing short term assets -cash management -the cash budget -marketable securities management	585-588	Goal 4
15	1 1 1	Credit management Inventory management	593-604	Goal 4
16	1 1 1	Final exam		

Theoretical course evaluation methods	Participation = 10% First exam 20%	Practical (clinical) course evaluation	Semester students' work = 50%
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and weight	Second exam 20% Final exam 50%	methods	(Reports, research, quizzes, etc.) Final exam = 50%
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Approved by head of department		Date of approval	
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Extra information (to be updated every semester by corresponding faculty member)

Name of teacher		Office Number	
Phone number (extension)		Email	<a href="mailto:_____@zug.edu.jo">_____@zug.edu.jo</a>
Office hours			