

MODULE DESCRIPTION FORM

Module Information				
Module Title	Financial Management		Module Delivery	
Module Type	C		☒ Theory ☐ Lecture ☐ Lab ☐ Tutorial ☒ Practical ☐ Seminar	
Module Code	BF2103			
ECTS Credits	6			
SWL (hr/sem)	150			
Module Level	2	Semester of Delivery		1
Administering Department	Department of Banking and Financial Sciences	College	College of Administration and Economics	
Module Leader	Hanadi Mushrif Abdulaziz		e-mail	
Module Leader's Acad. Title	Assistant Lecturer	Module Leader's Qualification	Masters Degree	
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Peer Reviewer Name		e-mail	E-mail	
Scientific Committee Approval Date	2026-09-01	Version Number	1.0	

Relation with other Modules			
Prerequisite module	None	Semester	
Co-requisites module	None	Semester	

Module Aims, Learning Outcomes and Indicative Contents

Module Objectives

- 1 .Establishing the core concepts of financial management and understanding its conceptual evolution from the traditional legal-descriptive approach—focused primarily on procurement of funds—to the contemporary analytical approach centered on asset management and optimal resource allocation.
- 2 .Comprehending the risk-return tradeoff and its direct implications for asset pricing, alongside recognizing shareholder wealth maximization (stock market value) as the primary corporate objective while addressing broader stakeholder responsibilities.
- 3 .Distinguishing between the organizational roles and specialized functions of the Treasurer and the Controller, while accurately positioning the finance function within the corporate organizational structure.
- 4 .Mastering the interpretation, preparation, and analysis of primary financial statements (Income Statement, Balance Sheet, and Statement of Cash Flows) in accordance with standardized reporting frameworks and classifications.
- 5 .Applying financial ratio analysis—including liquidity, activity (efficiency), leverage, coverage, and profitability ratios—to diagnose operational strengths and weaknesses and assess the firm's financial and credit performance.
- 6 .Evaluating and trading off available financing sources, with clear distinctions between debt financing instruments (bonds, term loans) and equity financing instruments (common stock, preferred stock, and retained earnings).
- 7 .Computing the effective cost of capital across various financing sources on a pre- and post-tax basis, and applying fundamental asset valuation models, notably the Dividend Discount Model (DDM) and the Capital Asset Pricing Model (CAPM).
- 8 .Examining the determinants of working capital policies, dividend decisions, and the technical principles governing corporate portfolio investments, alongside assessing systematic and environmental market risks.
- 9 .Applying financial planning techniques and forecasting external financing requirements utilizing the percent-of-sales method.

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Module Learning Outcomes	1. LO1: Define the fundamental concepts of financial management, contrast traditional and modern paradigms, and articulate its interdisciplinary linkages with accounting, economics, and quantitative methods. 2. LO2: Interpret the risk-return tradeoff and evaluate its decisive impact on firm valuation and market share price determination. 3. LO3: Compare and contrast the functional responsibilities, duties, and organizational scope assigned to the Treasurer versus the Controller. 4. LO4: Differentiate between operating, investing, and financing cash flows, highlighting the substantive differences between the direct and indirect methods for preparing the Statement of Cash Flows pursuant to IAS 7 and local Accounting Standard No. 7. 5. LO5: Infer the inherent limitations of relying on historical financial statements, addressing the influence of managerial discretion and accounting estimates on financial ratio interpretation. 6. LO6: Analyze the structural attributes and evaluate the legal and financial distinctions among corporate bonds, bank borrowings, common equity, preferred stock, and retained earnings. LO7: Examine capital market investment risks associated with macroeconomic business cycles, inflationary pressures, interest rate fluctuations, political risk, and default exposures.
Indicative Contents	Introduction to Financial Management and Corporate Objectives: • Concept and scope of financial management; evolution from traditional paradigms to modern corporate finance. • Corporate financial objectives: profit maximization, profitability maximization, earnings per share (EPS) maximization, shareholder wealth maximization (stock price), and social/stakeholder responsibilities. • The economic logic of the risk-return tradeoff.

- Interdisciplinary linkages between financial management and other disciplines (Accounting, Economics, Quantitative Methods, Operations Management, and Human Resources).

Functions of Financial Management and Corporate Financial Organization:

- Administrative and financial functions: financial planning, financial decision-making, financial organizing, and financial control.
- Core managerial decisions of the financial executive: capital acquisition, capital allocation and asset management, and addressing special corporate financial contingencies (valuation, M&A, financial distress).
- Organizational positioning and corporate governance responsibilities of the Chief Financial Officer in joint-stock companies.
- Comparative functional analysis: roles and responsibilities of the Treasurer versus the Controller.

Strategic Financial Decisions:

- Financing decisions: capital structure determination, optimal debt-equity mix, and maturity matching.
- Investment decisions and capital budgeting: asset allocation tradeoffs between current and non-current assets; defining and evaluating business risk.
- Working capital decisions and managing the liquidity-profitability tradeoff.
- Dividend decisions: cash distributions versus earnings retention, dividend stability, and dividend payout policies.

Primary Financial Statements (Preparation and Presentation):

- Income Statement: conceptual framework, analytical significance, accounting limitations, classification of revenues, cost of goods sold (COGS), operating expenses, and computational determination of net profit after tax (NPAT).
- Statement of Financial Position (Balance Sheet): conceptual foundations and accounting constraints, classification of assets by liquidity, classification of liabilities, and components of equity, supported by comprehensive practical applications.

Statement of Cash Flows:

- Analytical purpose and role in liquidity assessment and solvency forecasting.
- Tripartite activity classification: Operating, Investing, and Financing activities.
- Categorization of inflows (sources of funds) and outflows (uses of funds).
- Regulatory reporting requirements pursuant to IAS 7 and Iraqi Accounting Standard No. 7.
- Direct versus indirect methods of reporting operating cash flows, including the reconciliation of non-cash items.

Financial Analysis (Concepts, Tools, Liquidity, and Activity Ratios):

- Financial analysis: conceptual definitions, objectives, core requirements, analytical limitations, and primary user groups.
- Analytical tools and financial data sources.
- Liquidity ratios: Current Ratio, Quick (Acid-Test) Ratio, Cash Ratio, Defensive Interval Period, and working capital turnover indicators.
- Activity (Efficiency) ratios: Total Asset Turnover, Fixed Asset Turnover, Current Asset Turnover, Inventory Turnover, and Accounts Receivable Turnover.

Financial Ratio Analysis (Leverage, Coverage, and Profitability):

- Leverage and gearing ratios: Debt-to-Equity, Debt Ratio, and Capital Structure Ratios.
- Coverage ratios: Times Interest Earned (Interest Coverage) and Fixed-Charge Coverage.
- Profitability ratios: Gross Profit Margin, Net Profit Margin, Return on Investment (ROI), Return on Equity (ROE), and Earnings Per Share (EPS).

Investment Environment and Financial Market Analysis:

- Concepts and determinants of financial asset investments; comparative analysis between intrinsic value and market price.
- Market analysis techniques: Macro-Industry-Firm framework (EIC analysis), Fundamental Analysis and intrinsic valuation, and Technical Analysis (Dow Theory and chartist patterns).
- Capital market investment risks: macroeconomic business cycles, inflation risk, interest rate volatility, credit/default risk, and political risk.

Debt Financing Instruments (Corporate Bonds and Term Loans):

- Corporate bonds: core terminology, par (face) value, market price, maturity schedule, and coupon payments.
- Bond valuation mechanics and discounted cash flow modeling (par, premium, and discount pricing).
- Cost of debt capital: approximation via internal rate of return (IRR) and after-tax cost adjustments.
- Strategic advantages and constraints of debt financing.
- Long-term commercial bank loans: amortization schedules, effective and post-tax borrowing costs, and restrictive loan covenants.

Equity Financing Instruments (Common Stock, Preferred Stock, and Retained Earnings):

- Common stock: structural characteristics and shareholder rights (voting rights, pre-emptive rights, dividend rights, and liquidation claims).
- Equity returns: dividend yields (cash and stock dividends), capital gains, and holding period returns (HPR).
- Financial and market implications of stock splits and reverse stock splits.
- Cost of equity measurement: Dividend Discount Models (Constant and Constant-Growth DDM) and the Capital Asset Pricing Model (CAPM).
- Preferred stock: hybrid securities features, seniority of claims, and after-tax cost computation including flotation costs.
- Retained earnings: internal equity financing dynamics, opportunity cost measurement, and corporate capital constraints.

Financial Planning and Forecasting Financing Requirements:

- Conceptual framework of corporate financial planning and master budgeting.
- Short-term operational financial forecasting.
- Percent-of-sales forecasting method: core assumptions and operational modeling steps.
- Identification and classification of spontaneous versus discretionary financial accounts.
- Quantitative determination of Additional Funds Needed (AFN) and net external financing requirements, supported by applied numerical models.

Learning and Teaching Strategies

استراتيجيات التعلم والتعليم

Strategies

Teaching and Learning Strategies:

- Interactive Lectures: Delivering theoretical frameworks and corporate financial models by linking academic theory to real-world business decision-making, actively engaging students in structured debates on risk-return tradeoffs.
- Applied Numerical Problem-Solving: Working through comprehensive computational cases simulating corporate financial practice, including bond valuation mechanics, instrument-specific costs of capital, financial statement synthesis, ratio diagnostics, and external financing forecasts.
- Applied Case Studies: Examining empirical financial statements of publicly traded corporations, tasking students with evaluating creditworthiness and operational efficiency to formulate evidence-based capital structure recommendations.
- Problem-Based Learning (PBL): Immersing students in complex corporate financing dilemmas—such as equity versus debt or bank borrowing decisions—to analyze the interplay between fixed financial charges, tax shields, and firm leverage.
- Structured Discussions and Brainstorming: Analyzing real-time capital market dynamics, macroeconomic shocks (inflation, benchmark interest rate shifts, and recessionary pressures), and their direct impact on asset valuation and corporate policy.
- Assessment Methods for Intended Learning Outcomes (ILOs):
 - In-term written examinations evaluating conceptual mastery, computational fluency, and analytical accuracy across corporate accounting and finance.
 - Applied assignments and laboratory coursework involving comprehensive financial statement reconstruction, financial ratio derivation, and performance benchmarking.
 - A comprehensive final examination assessing integrated financial decision-making capacity, cost of capital computation, and external funding requirement forecasts.

Student Workload (SWL)

(15 Weeks)

Structured SWL (h/sem)	63	Structured SWL (h/w)	4
Unstructured SWL (h/sem)	87	Unstructured SWL (h/w)	6
Total SWL (h/sem)	100		

Delivery Plan (Weekly Syllabus)

Week	Material Covered
Week 1	The Nature and Evolution of Financial Management: Concept and scope of financial management; historical development of the finance function from the traditional legal-descriptive approach to the modern analytical and decision-making framework; strategic importance of financial management in contemporary business enterprises.
Week 2	The Financial Environment and Interdisciplinary Linkages: Relationship of financial management to accounting, economic theory, quantitative methods and operations research, behavioral sciences, operations management, marketing, and human resource management.
Week 3	Corporate Financial Objectives: Analysis of profit maximization versus profitability; computation of Earnings Per Share (EPS); shareholder wealth maximization (stock market price); the risk-return tradeoff; social objectives and corporate stakeholder responsibilities.
Week 4	Functions of Financial Management and Organizational Structure: Financial planning, financial organizing, decision-making, and financial control; organizational positioning of the Chief Financial Officer (CFO); functional and oversight distinctions between the Treasurer and the Controller.
Week 5	Strategic Financial Decisions: Introduction to financing decisions and capital structure; investment decisions, capital budgeting, and business risk; working capital management; dividend policy decisions. [Quiz 1]
Week 6	The Statement of Financial Position (Balance Sheet): Theoretical foundations and accounting constraints; classification of current assets by liquidity, long-term investments, fixed tangible and intangible assets; classification of current liabilities and long-term debt; equity structure, supported by integrated practical applications.
Week 7	Midterm Exam

Week 8	The Statement of Cash Flows: Analytical purpose and corporate significance; classification of cash flows (operating, investing, and financing activities); identification of sources and uses of funds; statutory preparation requirements under International Accounting Standard 7 (IAS 7) and Iraqi Accounting Standard No. 7; comparative analysis of direct and indirect presentation methods.
Week 9	Financial Ratio Analysis (Liquidity and Activity Ratios): Conceptual framework, scope, and limitations of ratio analysis; liquidity metrics (Current Ratio, Quick Ratio, Cash Ratio, Defensive Interval Period, and receivable/inventory liquidity indicators); activity and asset turnover ratios.
Week 10	Financial Ratio Analysis (Leverage, Coverage, and Profitability Ratios): Leverage and capital gearing ratios; interest coverage (Times Interest Earned) and fixed-charge coverage ratios; profit margin metrics, Return on Investment (ROI), Return on Equity (ROE), and Earnings Per Share (EPS), benchmarked against industry standards. [Quiz 2]
Week 11	Financial Investment Environment and Market Analysis: Concepts and dynamics of financial asset investment; intrinsic value versus market price; tiers of fundamental analysis (macroeconomic, industry, and firm-level); technical analysis (Dow Theory and chartist formations); capital market systemic risks (recessions, inflation, interest rate volatility, and political risk).
Week 12	Long-Term Debt Financing: Corporate bonds (concepts, par value, market pricing, and maturity); bond valuation models (par, premium, and discount pricing); cost of debt computation and debt tax shields; corporate advantages and drawbacks of debt issuance; long-term bank borrowings (amortization schedules, effective post-tax borrowing costs, and restrictive loan covenants). [Assignment 2 Due]
Week 13	Equity Financing Instruments (Common Stock): Structural characteristics and statutory shareholder rights (voting mechanisms, pre-emptive rights, and liquidation claims); measurement of equity returns (cash/stock dividends, capital gains, and holding period returns); impact of bonus share distributions, stock splits, and reverse splits; cost of equity computation via Dividend Discount Models and the Capital Asset Pricing Model (CAPM). [Financial Report Due]
Week 14	Equity Financing Instruments (Preferred Stock and Retained Earnings): Hybrid structural characteristics of preferred stock and after-tax cost of capital derivation factoring in flotation expenses; retained earnings as an internal financing mechanism, computation of opportunity cost of capital, and relative corporate advantages and constraints.
Week 15	Comprehensive Final Examination: Summative written and applied examination covering theoretical foundations, computational models, capital structure dilemmas, and corporate investment and financing decisions across the curriculum.

Delivery Plan (Weekly Lab. Syllabus)	
Week	Material Covered
Week 1	-
Week 2	-
Week 3	-

Module Evaluation					
		Time/Number	Weight (Marks)	Week Due	Relevant Learning Outcome
Formative assessment	Quizzes	1	10% (10)	5 and 10	LO #1, #2 and #10, #11
	Assignments	1	10% (10)	2 and 12	LO #3, #4 and #6, #7
	Seminars	1	10% (10)	Continuous	All
	Report	1	10% (10)	13	LO #5, #8 and #10
Summative assessment	Midterm Exam	2hr	10% (10)	7	LO #1 - #7
	Final Exam	3hr	50% (50)	16	All
Total assessment			100% (100 Marks)		

Learning and Teaching Resources		
	Text	Available in the Library?
Required Texts	Modern Financial Management Mohammed Ali Ibrahim Al-Ameri	Yes

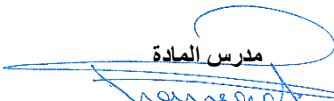
Grading Scheme

Group	Grade	Marks %	Definition
Success Group (50 -)001	A - Excellent	90 - 100	Outstanding Performance
	B - Very Good	80 - 89	Above average with some errors
	C - Good	70 - 79	Sound work with notable errors
	D - Satisfactory	60 - 69	Fair but with major shortcomings
	E - Sufficient	50 - 59	Work meets minimum criteria
Fail Group (0 –)94	FX – Fail	(45-)94	More work required but credit awarded
	F – Fail	(0-)44	Considerable amount of work required

Note: Marks Decimal places above or below 0.5 will be rounded to the higher or lower full mark (for example a mark of 54.5 will be rounded to 55, whereas a mark of 54.4 will be rounded to 54. The University has a policy NOT to condone "near-pass fails" so the only adjustment to marks awarded by the original marker(s) will be the automatic rounding outlined above.

رئيس القسم

 د. رافع عيد الجليل حسن

مدرس المادة

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