

COURSE CODE: ACC 405
COURSE TITLE: FINANCIAL MANAGEMENT
COURSE UNIT: 3C

1 FINANCIAL MANAGEMENT 3C

- Nature and Scope of F.M
- Meaning of F.M.
- Environments Affecting F.M.
- Decision in F.M.
- Treasury Mgt and Financial Control

2. THE GOALS OF THE FIRM

- The Meaning of Goals or Objectives
- Financial and Marketing Objectives of Firm
- Wealth and Profit Maximization
- Other Goals of the Firm (Stakeholders Concept)
- Financial Objectives of Public Corporations

3. SOURCES OF FINANCE

- Classification of the Sources of Finance
 - i According to tenor
 - ii According to ownership
- Discussion of the various sources of finance under short, medium and long-term

4-5 MATHEMATICS OF FINANCE

- Arithmetic and Geometric Progression
- Simple Interest and Simple Discount
- Compound Interest
 - i Future
 - ii Present value
- Annuity
- Perpetuity

6-7 CAPITAL BUDGETING UNDER CERTAINTY

- Meaning of Capital Budget
- Features of Capital Budgets
 - i Traditional method
 - ii DCF method
- Relevant Cost Concept
- Project Cash Flows and Accounting Profits

8-9 RISK AND UNCERTAINTY IN CAPITAL BUDGETING

- Nature of Risks and Uncertainty
- Types of Risks

- Business + financial risk
 - Systematic + unsystematic
 - Alpha + Beta Risk
 - Diversifiable and undiversifiable
 - Method of Evaluating the effect of risk on projects
 - iii. Conventional Methods
 - iv. Probabilistic Methods
- 10-11 COSTS OF CAPITAL**
- Meaning of Cost of Capital
 - Cost of Equity
 - Cost of Preference Shares
 - Cost of Debentures
 - Average Cost of Capital
- 12 OPERATING AND FINANCIAL LEVERAGE**
- Meaning of Leverage
 - Effect of Operating Leverage
 - Effect of Financial Leverage
- 13 FINANCIAL INTER-MEDIATION**
- Meaning of Inter-mediation
 - Institutions engaged in financial intermediation
 - Benefits of financial intermediation
- 14 THE NIGERIAN CAPITAL MARKET**
- The Capital Market in Nigerian Financial System
 - Securities and Exchange Commission
 - The Nigerian Stock Exchange
 - Capital Market Instruments
- 15 METHODS OF RAISING CAPITAL ON THE STOCK EXCHANGE**
- Offer for Sale
 - Private Placing
 - Issue of Prospectus

Recommended Texts:

1. Akintoye, D. R. (2006), Investment Decisions, Concept and Analysis Second Edition Glorious Store Publishers, Lagos.
2. Akinsulire O. (2004), Financial Management, Safe Associate, Lagos.
3. Pandey, I. M. (1999), Financial Management, Vikas Publishers, New Delhi.
4. Horne, V. (2004), Financial Management, Gram Publishers New York
5. Wyse Associates (2004), Corporate Finance & Financial Strategy, Wyse Publisher, Lagos.
6. Olowe O (1999), Financial Management, Lagos.