

KARACHI UNIVERSITY BUSINESS SCHOOL

UNIVERSITY OF KARACHI

Affiliated Colleges

MBA – III		
Course Title	:	Introduction to Business Finance
Course Number	:	BA (M) – 621
Credit Hours	:	03

1. An overview of Business Finance

- GAAP revisited
- Basic Finance Statement
- Legal Forms of Organization

2. Corporation defined: Advantages and Disadvantages

- Formation of a Corporation
- Capital Stock, Authorization and Issuance
- Rights of a Shareholder
- Common and Preferred Stocks
- Types of Preferred Stocks
- Payment of Dividends

3. The Firm's Investment Decision

- An overview of the Capital Budgeting Process
- Capital Budgeting Techniques
- Payback Period
- Accounting rate of return (ARR)
- Net Present value (NPV)
- Internal Rate of Return (IRR)
- Profitability Index (P/I)
- Sensitivity Analysis

4. The Time Value of Money

- Compounding and discounting

- Finding Future and Present Values

5. Financial Ratio Analysis

- Types of Financial Ratios
- Uses of Financial Ratios
- Determination and Interpretation
- Limitations of Ratios

6. Working Capital Management

- The Importance of Working Capital
- Short-term Finance Decision
- Deciding on an Appropriate WC Policy

Recommended Books:

1. Fundamentals of Financial Management by Ramesh K. S. Rao Macmillan Publishing Company International Edition:
2. A. Stevenson, "Fundamentals of Finance", McGraw-Hill, Latest Edition.
3. H. Chew, JR, "The New Corporate Finance", McGraw-Hill Second Edition.
4. Eugene Brigham, "Fundamentals of Financial Management", Duden Press, Harcourt Bare College Publisher

