**Financial Management**

Prof. Massimo Catizone

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

This course is intended to contribute to the advancement of UN-SDG 4, Quality Education by providing the next generation of financial managers with the basic concepts underpinning financial management so that they can make sound financial decisions integrating people, profits and the environment into a rigorous assessment of financial statements.

The objective of the course is twofold. First, to provide a conceptual understanding of the key concepts and principles underpinning financial management. Second, to provide students with the practical tools that are necessary to evaluate financial performance.

*Learning Objectives*

At the end of the course and having completed the essential reading, students should be able to:

* demonstrate a basic understanding of the a) key components and b) functioning of financial markets;
* describe the key duties and obligations of CFOs and in particular how such functions and duties relate to firm performance and financial markets;
* describe the key principles applying to the preparation of financial statements
* reclassify balance sheet and financial statements
* analyse a firm performance based on ratio analysis and cash flow analysis
* describe the key components of credit analysis and the key indicators of financial distress;

***COURSE CONTENT***

*Conceptual understanding*. Starting from the analysis of the structure of a firm’s financial statements, students will be introduced to the principles applying to the interpretation of financial statements and to balance sheet and income statement reclassification. The course will also provide students with the ability to assess a firm performance based on ratio analysis and cash flows analysis. Finally, students will be provided with an overview on the main components of credit analysis and distress prediction.

*Analytical tools and applied knoweldge*. After having successfully completed the course students will be able to apply the knowledge acquired during the course to real life cases. Starting from accounting analysis, students should be able to evaluate a firm’s financial management, investment management, and profitability. Furthermore, based on a critical qualitative and quantitative analysis of firm’s business strategy, sector comparables and balance sheet, students will be able to reclassify financial statements and income statements in order to ensure that data is presented in the way that is most suitable for the intended analysis.

***READING LIST***

*Essential reading*

S.Block, *Foundation of financial management*, Mc Graw Hill Education (UK), 17th Edition (January 1, 2018).

*Recommended Reading*

During the course students may be directed to additional reading material.

***ASSESSMENT METHOD AND CRITERIA***

Students will be assessed based on a written examination consisting of one or more open-ended question(s) and a number of quantitative questions. The exact number of questions and the maximum mark that can be earned for each question will depend on the relevant question level of complexity. Consistently with the scope of the course, questions requiring a quantitative analysis or working out, are likely to earn more marks than qualitative questions.

Answers provided by students will be valued by comparing the overall knowledge demonstrated by students against the learning objectives of this course.

***TEACHING METHOD***

The course will be taught using a frontal teaching method.

In order to allow students to gain familiarity on a practical level with the conceptual building blocks of financial management, frontal lessons will be complemented with practical lessons and simulations during which theoretical concepts will be applied to real life situations. The teaching of theoretical concepts will take up approximately 70% of the entire course. Practicals will take up approximately 30% of the entire course.

***NOTES AND PREREQUISITES***

Regular attendance is recommended.

Prior to attending this course, students should gain at least a high level understanding of the main mechanisms underpinning the functioning of financial markets, of the key legal and regulatory principles governing the functioning of firms and of the key accounting principles applying to non financial firms.

Massimo Catizone will be available to meet with students on Teams once a week on Thursday from 13:00 to 14:00. Students are encouraged to provide an agenda for the meeting beforehand by writing to massimo.catizone@unicatt.it.

Meetings in person may be organised upon request by writing to [massimo.catizone@unicatt.it](mailto:massimo.catizone@unicatt.it).