

COURSE OUTLINE

COURSE TITLE	FINANCIAL MANAGEMENT	CODE:
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STUDY YEAR	3	SEMESTER	2	COURSE TYPE (M -MANDATORY/ O -OPTIONAL/ E -ELECTIVE)	M
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NUMBER OF HOURS PER WEEK				TOTAL HOURS PER SEMESTER	TOTAL HOURS OF INDIVIDUAL ACTIVITY*	NUMBER OF CREDITS	TYPE OF EVALUATION (T-term work, O-oral examination, W-written examination,, M-mixed)	LANGUAGE OF TEACHING
C	S	L	Pr					
2	2			56	94	5	W	English

COURSE LEADER	ACADEMIC AND SCIENTIFIC RANK, NAME AND FIRST NAME	DEPARTMENT
	PROF. ONOFREI MIHAELA, PHD	Business Administration

PREREQUISITE	Economics, Money and Credit
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COURSE OBJECTIVES	<p>GENERAL OBJECTIVE:</p> <p>To know how the financial analysis contributes to the correct financial decision-making in an enterprise, through the analysis of the financial position (supported by the financial analysis balance sheet and ratio analysis) and through the analysis of financial performance (supported by the nominal account)</p> <p>SPECIFIC OBJECTIVES WITH A VIEW TO COGNITIVE SKILLS, PRACTICAL SKILLS OR GENERAL SKILLS:</p> <p>i) <u>Cognitive skills</u> (<i>knowledge</i>)</p> <ul style="list-style-type: none"> -be familiar with the concept of financial analysis, its purpose and its forms; -understand the liquidity-exigibility analysis; -make the difference between the financial position analysis and functional position analysis; -be familiar with the methods used to describe the diagnosis of return and risk <p>ii) <u>Functional skills</u> (<i>practical skills</i> or the skill to put knowledge into practice)</p> <ul style="list-style-type: none"> -make the financial analysis balance sheet of a company starting from its balance sheet; -determine the indicators of the circulating fund, of the value of the circulating fund and of the net treasury; - calculate and interpret: the analysis ratios of the company to meet its payment obligations, the ratios of debt affordability analysis, the analysis ratios on the efficiency of asset usage, the analysis ratios on the efficiency of the management team <p>iii) <u>Personal skills</u></p> <ul style="list-style-type: none"> - identify the strong and weak point of the financial activity in order to eliminate the conflicting elements in the decision-making process; - make use of the information provided by the financial ratios to foresee the company's profits; - adopt a firm policy for debt recovery. <p>iii) <u>General skills</u></p> <ul style="list-style-type: none"> - prevent conflicts among stakeholders, promoting mutual respect in business; - make decisions so that to avoid bankruptcy and save enterprises if the results of the financial analysis allow it and the perspectives of reorganization are favorable to keeping the company in the business world
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COURSE DESCRIPTION ON CHAPTERS AND SUBJECTS	TITLES OF CHAPTERS AND SUBJECTS	No. of hours
	<p>Chapter 1 Fundamentals of Financial Management (10 hours)</p> <p>1.1. Financial management: definition, objectives, positions, tasks</p> <p>1.2. Financial decision – the fundamental act of enterprise financial management</p> <p>1.2.1. Types of financial decisions at microeconomic level</p> <p>1.2.2. Categories of stakeholders involved in the financial decision making process of an enterprise</p> <p>1.3. Involvement of the institutional investors in the financial management control</p> <p>1.4. The concept of corporate governance and its use</p> <p>1.5. Involvement of the corporate governance in aligning all stakeholders's interests</p> <p>Chapter 2 INVOLVEMENT OF THE FINANCIAL ANALYSIS IN THE DECISION-MAKING AT MICROECONOMIC LEVEL (10 hours)</p> <p>2.1. The role of the financial analysis in the management process at microeconomic level</p> <p>2.2. The analysis of financial position of the enterprise and its impact</p> <p>2.2.1. Reflections on the necessity to approach the balance sheet from the financial viewpoint</p> <p>2.2.2. The financial analysis balance sheet (liquidity-exigibility analysis)</p> <p>2.2.3. The functional analysis balance sheet</p> <p>2.3. The analysis of the enterprise financial performance and its impact</p> <p>2.3.1. The analysis of the intermediary balances of administration</p> <p>2.3.2. The analysis of the self-financing capacity</p> <p>2.3.3. The analysis of enterprise cash-flows. Crossing the line between cash-flow and profit</p> <p>CHAPTER 3 THE FINANCIAL DIAGNOSIS OF RETURN AND RISK OF THE ENTERPRISE (12 hours)</p> <p>3.1. Methods used to determine the financial diagnosis of return and risk</p> <p>3.2. Involvement of the ratio system when determining the diagnosis of return of the enterprise</p> <p>3.2.1. The return on the capital invested by stakeholders</p> <p>3.2.2. The return on the capital invested by creditors</p> <p>3.2.3. The economic return ratio</p> <p>3.2.4. The factorial analysis of return (Du Pont analysis)</p> <p>3.3. The diagnosis of risk. Types of risk</p> <p>3.3.1. The economic risk</p> <p>3.3.2. The financial risk</p> <p>3.3.3. Methods to identify the risk of enterprise bankruptcy</p> <p>CHAPTER 4 FINANCIAL ANALYSIS OF ENTERPRISES AT RISK (10 hours)</p> <p>4.1. General principles</p> <p>4.2. The enterprise failure and the decision making process in case of bankruptcy</p> <p>4.3. The steps of judicial reorganization and bankruptcy procedure</p> <p>4.4. Possibilities to avoid bankruptcy through the adoption of change strategies</p> <p>4.5. The liquidation procedures of an enterprise</p>	
SUBJECTS OF PRACTICAL WORK	<p>1. financial decision-making in an enterprise and establish the capital cost</p> <p>2. the ratio analysis of the liquidity-exigibility analysis</p> <p>3. the financial ratio analysis and its impact</p>	
TEACHING METHODS	discourse, debate, interactive course, problematization	

BIBLIOGRAPHY	<p>Bierman, H., Smidt, S. – <i>The Capital Budgeting Decision. Economic Analysis of Investment Projects</i>; Eight Edition; Mc Millan Publishing Company; 1993</p> <p>Brealey, R., Myers, S. – <i>Principles of corporate finance</i>; International edition (Fourth edition); Mc Graw – Hill Inc 1991</p> <p>Court, A. – <i>Haut de bilan. Trésorerie. Relations banques – entreprises</i>; edition Lamy SA, Paris, 1993</p> <p>Brezeanu, P. (coord) – <i>Financial Diagnosis</i>; Economica Publishing House; Bucharest; 2003</p> <p>Dragotă, V. ș.a. – <i>Financial Management</i>; Vol.1 and 2; Economica Publishing House; Bucharest; 2003</p> <p>Gearbă, R. (coord) – <i>Financial Management</i>; Rentrop & Straton Publishing House; Bucharest; 2004</p>
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<p>Halpern, P. ș.a. – <i>Management Finance</i>; Economica Publishing House; Bucharest; 1998 Ionescu, V.C. – <i>Management of Small and Medium Enterprises</i>; Economica Publishing House; Bucharest; 2004 Lantz, J.S. – <i>Valorisation stratégique et financière de l'entreprise</i>; édition Maxima Paris; 2004 Lynch, R. – <i>Corporate Strategy</i>; ARC Publishing House, Chișinău; 2002 Onofrei, M – <i>Financial Management</i>; C.H.Beck Publishing House, Bucharest; 2006 Onofrei, M. – <i>Enterprise Finance</i>; Economica Publishing House; Bucharest; 2004 Patterson, Cleveland S. – <i>The Cost of Capital: Theory and Estimation</i>; Westport Conn: Quorum Books; 1995 Piperea, Gh. – <i>Trade Companies, Capital Market, Community Acquis</i>; All Beck Publishing House; Bucharest; 2005 Ravary, L., Avare, Ph. – <i>Administration and Financial Analysis</i>; Economica Publishing House; 2002</p>
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EVALUATION	conditions	-writing and public defense of a project -taking the exam
	criteria	-the form and content conditions of the project work -the quality of the written project
	forms	Written and oral
	Weight of the final grade	Project work*0,2+ Written examination*0,8

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