



FAKULTI PENGURUSAN DAN INDUSTRI HALAL

PROGRAM	Diploma Pengurusan Muamalat
COURSE NAME	Fundamentals of Finance
COURSE CODE	DBF 3013
CREDIT HOUR	3
SYNOPSIS	The subject is designated to enable the students to understand the concepts of finance. The subject covers topics like financial ratios, financial statement, cash budget, time value of money and net working capital management.
COURSE STRUCTURE	
CHAPTER	TOPICS
1	Introduction 1.1 Financial markets and business organization, goals of firm 1.2 Functions of the financial manager, risks and returns relationship
2	Financial analysis 2.1 Functions of financial statements 2.1.1 Balance sheet, income statement, statement of change in financial position, statement of retained earnings. 2.2 Financial ratios 2.2.1 Calculation of financial ratios 2.2.2 Uses of financial ratios- manager, creditor and investor 2.2.3 Analysis of ratios – trend analysis and comparative analysis 2.3 Basic sources and uses of funds cash basis, net working capital 2.4 Financial forecasting and planning – cash budget, percent of sales method
3	Working capital management 2.1 Definition of working capital, Approaches to working capital management, Hedging, Conservative, Aggressive, Hedging from Syariah perspective and its alternatives.
4	Cash and marketable Securities Management 4.1 Cash management 4.1.1 Objectives, reasons for holding marketable securities 4.2 Marketable Objectives, reasons for holding marketable securities. Types of marketable securities in Malaysia Types of Islamic marketable securities in Malaysia



5	Accounts Receivable Management 4.1 Objective, Credit Policy (Credit standard – 5C'S, Credit Terms, Credit collection)
6	Inventory Management 6.1 Objective 6.2 Types of inventories 6.3 Inventory management techniques 6.4 Economic Order Quantity Model (EOQ), Extension of Economic Order Quantity Model, Just in Time (JIT)
7	Short Term Financing 7.1 Types short term financing 7.2 Unsecured sources; secured sources; cost of financing; profit sharing (interest free)
8	Long Term Financing 8.1 Types of long-term financing (Bonds, Preferred stock, common stock) 8.2 Syariah views on these long-term financing) Characteristics of each source, Advantages and disadvantages to issuer, Cost of financing and Syariah views on it.
9	Mathematics of Finance 9.1 Definition of time value of money 9.2 Present value and future value of money 9.3 Single payment; multiple payment- uneven cash flow; ordinary annuity; annuity due; amortization time value of money from syariah perspective
	Capital Budgeting 10.1 Definition and importance 10.2 Types of capital investment 10.3 Capital budgeting techniques 10.4 Payback period; net present value; internal rate of return- including interpolation
References:	1. Ng. Kean Kok et.al., Financial management 3rd Edition, (ebook) Oxford Fajar, 2018. 2. Noryati Ahmad et.al, Fundamentals of Finance Second Edition, Oxford Fajar, 2016.