**Федеральное государственное автономное образовательное учреждение высшего профессионального образования   
"Национальный исследовательский университет   
"Высшая школа экономики"**

Факультет экономических наук

Департамент финансов

**Рабочая программа дисциплины**

«Краткосрочная финансовая политика компании»

(Short Term Corporate Financial Policy)

для образовательных программ:

«Экономика» направления 38.03.01 подготовки бакалавра

Разработчик программы

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Одобрена на заседании департамента финансов

«\_\_\_»\_\_\_\_\_\_\_\_\_\_\_\_ 2015 г.

Руководитель департамента И.В. Ивашковская\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Рекомендована Академическим советом образовательной программы ОП «Экономика»

«\_\_\_»\_\_\_\_\_\_\_\_\_\_\_\_ 2015 г., № протокола\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Утверждена «\_\_\_»\_\_\_\_\_\_\_\_\_\_\_\_ 2015 г.

Руководитель департамента финансов И.В. Ивашковская\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Москва, 2015

*Настоящая программа не может быть использована другими подразделениями университета и другими вузами без разрешения подразделения-разработчика программы.*

#### SHORT TERM CORPORATE FINANCIAL POLICYSyllabus

#### Faculty: Economics

#### Year: 2015/16

#### Course name: Short Term Corporate Financial PolicyLevel: Bachelor, 4Y

#### Language of instruction: English

#### Period: 3rd module

#### Workload: 40 hours of classes

1. **Course Description**

Course is designed for bachelor students. This course discusses formation of analytical and practical skills of short term financial decisions making. The course examines the role of short term corporate financial policy as economic instrument in company management; main spheres of short term corporate financial policy, current assets management.

**Course Objectives**

**After the course student will know:**

* Introduce the student to the area of short-term financial management/treasury management, while integrating global and multicultural perspectives.
* Assist the student in developing a conceptual framework upon which to base decisions in treasury and working capital management.
* Assist the student in achieving an advanced knowledge of techniques for analyzing financial data, for purposes of managerial decision-making.

**After this course you are be able to:**

* Understand the goals and functions of treasury and working capital management.
* Understand how to apply the time value of money and the implications thereof to short-term financial decisions.
* Analyze, project and control cash flow.
* Utilize the tools of short-term finance in analyzing one or more extended case studies to provide solutions for identified problems.

**Teaching method:**

PowerPoint presentations

Discussion

Case Studies

Homework Assignments

**Assessment:**

Assigned Case – 20%

Homework – 30%

Exam (online test) – 50%

**Prerequisites:**

**Course Teachers and Contact Details:** Makeeva Elena, Len- makeeva@yandex.ru

**Reading Material:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. ISBN 0-324-20293-8

1. **Course placement**

**Preliminary schedule**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **N** | **Topic** | **Hours per topic** | **Lecture, hours** | **Seminar, hours** | **Self-study** |
| 1 | Intro and The Role of Working Capital | 12 | 4 |  | 8 |
| 2 | Analysis of Solvency, Liquidity and Financial Flexibility. Valuation | 16 | 4 |  | 12 |
| 3 | Analysis of Solvency, Liquidity and Financial Flexibility | 16 | 4 |  | 12 |
| 4 | Working capital management | 10 | 4 |  | 6 |
| 5 | Working capital management | 10 | 4 |  | 6 |
| 6 | Cash management | 14 | 4 |  | 10 |
| 7 | Short-term forecasting and planning | 16 | 4 |  | 12 |
| 8 | Short-term investing and financing | 14 | 4 |  | 10 |
|  | *Total* | *108* | *32* | *-* | *76* |

1. **Course outline**

**Class 1 Intro and The Role of Working Capital**

Introducing the Cash Flow Timeline. The Relationship between profit and Cash Flow. Managing the Cash Cycle. How much working capital is enough.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.1

**Additional literature:**

1. Jose M.L, Lancaste, C & Stevens, J.L. (1996). Corporate returns and cash conversion cycles. *Journal of Economics and Finance*, 9 Volume 20, Number I
2. Uyar, Ali. (2009). The relationship of cash conversion cycle with firm size and profitability: an empirical investigation in Turkey. *International Research Journal of Finance and Economics*, ISSN 1450-2887 Issue 24, EuroJournals Publishing

**Class 2, 3 Analysis of Solvency, Liquidity and Financial Flexibility. Valuation**

Solvency measures. What is liquidity. The statement of cash flow. Liquidity measures. How much Liquidity is enough. Financial flexibility. Two approaches to financial decision making. NPV calculation in short period. Basic valuation model. Choosing the discount rate.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.2, 3

**Additional literature:**

1. Karl V.Lins, HenriServaes, PeterTufano (2010). What drives corporate liquidity? An international survey of cash holdings and lines of credit. *Journal of Financial Economics,* 98
2. Christopher F. Baum, Mustafa Caglayan, Andreas Stephan, Oleksandr Talavera (2008). Uncertainty determinants of corporate liquidity. *Economic Modelling*, 25

**Class 4, 5 Working capital management**

The concept of inventory. Basics of managing the average inventory balance. Inventory management and the Cash Flow timeline. Reducing the size of the inventory investment. Trade credit and shareholder value. Managing the credit function. Managing the credit policy.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.4, 5

**Additional literature:**

Love, I., Preve L., Sarria-Allende V. (2007). Trade Credit and Bank Credit: Evidence from Recent Financial Crises. Journal of Financial Economics

**Class 6 Cash management**

The payment system and financial institution relationship. Value and concept of float. Electronic-based systems. Managing the bank relationships. Cash collection system. Types of collection system. The cost of float. Cash concentration. Cash disbursement system.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.8

**Additional literature:**

Powell, Gary and Kent Baker, “Management Views on Corporate Cash Holdings,” *Journal of Applied Finance* (Number 2 2010), pp. 155-168.

**Class 7 Short-term forecasting and planning**

The cash forecasting process. Forecasting monthly cash flows. Forecasting daily cash flow. Types of Short-term financial planning models. A simple percent-of-sales forecasting model.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.12

**Additional literature:**

[**http://strategiccfo.com/wikicfo/daily-cash-flow-forecast/**](http://strategiccfo.com/wikicfo/daily-cash-flow-forecast/)

**Class 8 Short-term investing and financing**

Short-term investment policy. Investment decision-making process. Financing and cash floe timeline. Short-term financing alternatives.

**Basic literature:**

Terry S. Maness and John T. Zietlow ”Short-Term Financial Management” 3rd edition, South-Western, 2005. – Ch.15

**Additional literature:**

1. Love, I., Preve L., Sarria-Allende V., 2007, “Trade Credit and Bank Credit: Evidence from Recent Financial Crises”, Journal of Financial Economics
2. Atanasova, C., 2007, “Access to Institutional Finance and the Use of Trade Credit,” Financial Management
3. Molina C., Preve L., 2008, “Trade Receivables Policy of Distressed Firms and its Effect on the Cost of Financial Distress,” Financial Management
4. **Grading**

Assigned Case – 20%

Homework – 30%

Exam (online test) – 50%