**DIRE DAWA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**



**CURRICULUM**

**For**

**Master of Science in Finance and Investment**

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**Prepared and Compiled by:**

**Curriculum Development Committee**

**JUNE , 2018**

# 18. List of Courses

## 18.1 Supportive Courses

1. Business and Economic Environment
2. Econometrics for finance
3. Research Methods for Finance and Investment

## 18.2 Major Courses

1. Financial Institutions & Markets
2. Financial Analysis and Control
3. Advanced Corporate Finance
4. International Business Finance
5. Investment Analysis and portfolio Management
6. Project Analysis and Financing
7. Corporate Restructuring and Governance
8. Public Finance and Taxation
9. Strategic Management

## 18.3 Master’s Thesis (core)

1. Master’s Thesis

# 19. Course Breakdown

## 19.2 Regular program

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| --- | --- | --- | --- | --- | --- |
| **S.No** | **Course Title** | | | **Course Code No.** | **Credit Hours** |
| **Year I- semester I** | | | | | |
| 1. | Business and Economic Environment | | | MFI 511 | 2 |
| 2. | Financial Analysis and control | | | MFI 521 | 2 |
| 3. | Research Methods for Finance and Investment | | | MFI531 | 3 |
| 4. | Financial Institutions & Markets | | | MFI 541 | 3 |
| 5. | Public Finance and Taxation | | | MFI 551 | 2 |
| **Semester total** | | | | | **12** |
| **Total No. of credit hours, Year I Semester I** | | | | | **12** |
|  | | | | | |
| **Year I– Semester II** | | | | | |
| 1. | Advanced Corporate Finance | | | MFI 512 | 3 |
| 2. | Investment Analysis and Portfolio Management – 1 | | | MFI 522 | 3 |
| 3. | International Business Finance | | | MFI 532 | 3 |
| 4. | Econometrics for finance | | | MFI 542 | 3 |
| **Semester** | | | | | **12** |
| **Total No. of Credit hours, end of first year** | | | | | **24** |
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| **Year II, Semester I** | | | | | |
| 1. | Master’s Thesis Proposal | | | MFI 611 | Pass/Fail |
| 2. | Investment Analysis and Portfolio Management – II | | | MFI 621 | 2 |
| 3. | Corporate restructuring & governance | | | MFI 631 | 2 |
| 4 | Project Analysis and Financing | | | MFI 641 | 2 |
| 5. | Strategic Management | | | MBA 651 | 2 |
| **Semester Total** | | | | | **8** |
| **Total No. of credit hours, Year II Semester I** | | | | | **32** |
|  | | | | | |
| **Year II –Semester II** | | | | | |
| 1. | Master’s Thesis | | | MFI 612 | 6 |
| **Semester Total** | | | | | **6** |
| **Total No. of credit hours Year II Semester II** | | | | | **38** |
| 19.2 Extension Program ( evening and weekend)  |  |  |  |  | | --- | --- | --- | --- | | **Year I- semester I** | | | | | 1. | Business and Economic Environment | MFI 511 | 2 | | 2. | Research Methods for Finance and Investment | Econ 531 | 3 | | 3. | Financial Institutions & Markets | MFI 541 | 3 | | **Semester total** | | | **8** | | **Total No. of credit hours, Year I Semester I** | | | **8** | | **Year I– Semester II** | | | | | 1. | Public Finance and Taxation | MFI 551 | 2 | | 2. | Investment Analysis and Portfolio Management – 1 | MFI 522 | 3 | | 3. | International Business Finance | MFI 532 | 3 | | 4. | Financial Analysis and control | MFI 521 | 2 | | **Semester total** | | | **10** | | **Total No. of Credit hours, end of first year** | | | **18** | | **Year I, Semester III** | | | | | 1. | Advanced Corporate Finance | MFI 512 | 3 | | 2. | Investment Analysis and Portfolio Management – II | MFI 621 | 2 | | 3. | Econometrics for finance | MFI 542 | 3 | | **Semester total** | | | **8** | | **Total No. of Credit hours, end of first year** | | | **26** | | **Year II, Semester I** | | | | | 1 | Strategic Management | MBA 651 | 2 | | 2. | Corporate Restructuring and Governance | MFI 631 | 2 | | 3. | Project Analysis and Financing | MFI 641 | 2 | | 4. | Master’s Thesis Proposal | MFI 611 | Pass/Fail | | **Semester Total** | | | **6** | | **Total No. of credit hours, Year II Semester I** | | | **32** | | **Year II –Semester II** | | | | | 1. | Master’s Thesis | MFI.612 | 6 | | **Semester Total** | | | **6** | | **Total No. of credit hours Year II Semester II** | | | **38** |  |  |  | | --- | --- | | **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | **Host Department** | Department of Accounting and Finance/ Banking and Finance | | **Degree Program** | MSc in Finance and Investment | | **Course Code** | MFI 511 | | **Course Title**  **Credit hour** | **Business and Economic Environment**  **2** | | **Target Group** | Students of Finance and Investment | | **Year/Semester of Offering** | Year I Semester I | | **Prerequisites** |  | | **Course Description** | The course covers overview of the Ethiopian economy and business environment (political, legal, social, etc) and impart knowledge of industrial policies and recent developments; FDI policy; demand and supply of money; credit and their policies; trade policy; EXIM policy; Role of export promotion agencies; legal frame work and government policies. It also provides an overview of financial management of the Government, Government policy and funds allocation to different sectors; sources of revenue to the government; public sector and its role; privatization and its constraints; joint sector and co-operative sector and their role in the economy; social responsibility of business; emergence of globalization; privatization and liberalization and its impact on business and industry; benefits and problems from MNCs; WTO- its role and functions and its implications for Ethiopia; trading blocks in Africa; the debt management of the government | | **Objective/learning outcomes** | After studying this course, students should be able to:   1. Explain the nature and components of business environment and the interaction between business and its environment 2. Explain the social responsibility of business, and the interaction among publics and business. 3. Explore the economic role of government, particularly the Ethiopian government and business 4. Demonstrate knowledge to specify the basic characteristics & nature of MNC as well as why firms become MNC 5. Explain the nature of FDI, political ideology/government policy and related instruments to encourage/discourage FDI, cost and benefit of FDI 6. Identify the different types of regional and international economic integrations and explain their background, objective, role in the national economy and how they function | |  | **Chapter 1: Business and Business Environment**  1.1 Definition of Business Environment  12. Components of Business Environment  1.3. Interaction among Business Environment  1.4. Interaction among Business and Its Environment  1.5. Strategic Business Decisions and Business Environment Analysis  **Chapter 2: Business and Society**  2.1. Business Ethics  2.2. Social Responsibility of Business  2.3. Consumer Rights and Business  2.4. Consumerism, Environmentalist Movements  **Chapter3: Economic System**  3.1. Free Market Economy and Business  3.2. Command Economy and Business  3.3. Mixed Economy and Business  3.4. The Ethiopian Economic System and Its Policies &  Strategies  **Chapter 4: Economic Role of Government**  4.1. Government’s Regulatory, Promotional, Entrepreneurial,  and Planning Role  4.2. Monetary Policy, Fiscal Policy, Inflation, Economic Crisis  and Business  4.3. Liberalization, Privatization, and Globalization and the  Ethiopian Economy  4.4. The Ethiopian Government- Developmental State  4.5. The Ethiopian Public Sector and Business  **Chapter 5: The Ethiopian Business Laws and Business**   * 1. The Ethiopian Industrial Law and Business   2. The Ethiopian Trade Law and Business   3. The Ethiopian Investment Law and Business   4. The Ethiopian Labor Law and Business   5. The Ethiopian EXIM Law and Business   6. The Ethiopian Tax Law and Business   7. The Ethiopian Property and Intellectual Right Law and Business   8. The Ethiopian Environmental Law and Business   **Chapter 6: Commodity Exchange/Market and Business**   * 1. What is commodity exchange?   2. Commodities Suitable for Trading in Commodity Exchange   3. Regulation of the Commodity Exchange   **Chapter 7: The Ethiopian Business Finance**   * 1. Joint Ventures   2. Foreign Direct Investment (FDI) and Its Economic Benefits and Limitations   3. Portfolio Investment (PFI) and Its Economic Benefits and          Limitations   **Chapter 8: Multinational Companies and Foreign Direct Investment**   * 1. Characteristics of Multinational Companies (MNCs).   2. Why Firms Become Multinational Enterprises.   3. The Internationalization Process   **Chapter 9: Economic Integration**   * 1. The African Regional Economic Groups (such as IGAD,   COMESA, etc).   * 1. The African Union (AU): Background, Objective and Role   2. The European Union (EU): Background, Objective & role   3. World bank and IMF (background, objective, and Role)   4. WTO: Background, Objective and Role.   5. Why the Developing Countries Economic Integration is     ineffective as compared to that of Developed Countries.  **Assessment Method**   * Group Assignment * Presentations of assignment * Tests and quizzes * Final exam * Other relevant works provided by instructors | | **Learning & Teaching Methods** | A combination of ***lectures and cooperative learning*** | | **Media** | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* | | **References** | Internet is the major source of information for this course. | | | | | | | | |
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| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | Department of Accounting and Finance/ Banking and Finance | | | | |
| **Degree Program** | | MSc in Finance and Investment | | | | |
| **Course Code** | | MFI 5013 | | | | |
| **Course Title**  **Credit hour** | | **Econometrics for finance**  **3** | | | | |
| **Target Group** | | Students of Finance and Investment | | | | |
| **Year/Semester of offering** | | Year I Semester I | | | | |
| **Prerequisites**  **Course Description**  **Course Objectives**  **Course Contents for Lecture:**  **Contents of Computer Lab.:**  **References:** | | None  Social scientists are often interested in quantifying relationships between different variables. The objective of Econometrics is thus to quantify such relationships using available data and statistical techniques to interpret and use the resulting outcomes. So, Econometrics is the application of statistical and mathematical methods to the analysis of economic data, with the purpose of giving empirical content to economic theories and then verifying or refuting them. Bridging the gap between theory and policy analysis requires acquiring the practice of applying the concepts, theories and methods of Economics to policy analysis. This Econometrics course is designed to confront this challenge by providing insights on how the three elements of Econometrics namely: economic theory, mathematical economics and statistical procedures can be combined, to provide useful information to policy analysts and decision makers. In addition, the course will give insight the application of software packages like STATA, EVIEWS and PCGIVE.  NB. This course will have a total of 32 lecture hours and 16 laboratory hours of delivery.  The objective of the course is to equip students with the knowledge and skill of econometrics and able to read, analyze and conduct empirical investigations in the field of economics. Therefore, the objectives of the course are to:   * Develop an understanding of the theory and application of Econometrics to quantifying economic relationships and testing economic theories; * Enable students to translate results from econometric analysis based on economic principles into useful and reliable policy reasoning; * Equip students to read, evaluate and understand empirical papers in professional journals; and * Provide students with practical experience of using econometric computer software to fit economic models.   **Chapter 1: Introduction**   * 1. Definition and Scope of Econometrics,   2. Models: Economic models and Econometric models,   3. Methodology of Econometrics,   4. The Sources, Types and Nature of Data   **Chapter 2: Simple Linear Regression**   * 1. Concept of Regression Function,   2. Method of Moments & Method of Least Squares,   3. Residuals and Goodness-of-fit,of OLS Estimates and Gauss-Markov Theorem   4. Confidence Intervals and Hypothesis Testing,   5. Predictions using Simple Linear Regression Model   **Chapter 3: Multiple Linear Regressions**   * 1. Method of Ordinary Least Squares revised,   2. Partial Correlation Coefficients & their Interpretation,   3. Coefficient of Multiple Determinations,   4. Properties of Least Squares and Gauss-Markov Theorem,   5. Hypothesis Testing in Multiple Linear Regressions,   6. Predictions using Multiple Linear Regression   **Chapter 4: Violations of the Assumptions of the Classical Model**   * 1. Multicollinearity,   2. Heteroscedasticity,   3. Autocorrelation,   4. Specification Errors: Omission of Variables   **Chapter 5: Regression Analysis with Qualitative Information: Binary (Dummy Variables)**   * 1. Describing Qualitative Information,   2. Dummy as Independent Variables,   3. Dummy as Dependent Variable,   4. The Linear Probability Model (LPM),   5. The Logit, Probit and Tobit Models,   6. Interpreting the Probit and Logit Model Estimates   **Chapter 6: Introduction to Basic Regression Analysis with Time Series Data**   * 1. The nature of Time Series Data,   2. Stationary and non-stationary stochastic Processes,   3. Trend Stationary and Difference Stationary Stochastic Processes,   4. Integrated Stochastic Process Tests of Stationarity:   5. The Unit Root Test   **Chapter 7: Introduction to Panel Data Regression Models**   * 1. Introduction,   2. Estimation of Panel Data Regression Model:   3. The Fixed Effects Approach   4. The Random Effects Approach   **1. Introduction to STATA**  **2. Data Management using STATA**  **3. Simple Linear Regression using STATA**   * Method of least squares * ANOVA and Estimation of R2 * Hypothesis testing and confidence intervals   **4. Multiple Linear Regression (MLR) using STATA**   * Method of ordinary least squares revised to MLR * Coefficient of multiple determination, Linear restrictions and hypothesis testing   **5. Testing for Violations of the Assumptions of the Classical Model using STATA**   * Multicollinearity and Heteroscedasticity   **6. Introductory Time Series Regression using STATA/EViews/PcGive**   * Tests of Stationarity: the Unit Root Test * Estimation of Stationary time series * Autocorrelation * Estimation of Non-stationary time series   **7. Introductory Panel Data Regression Models**   * Fixed Effects Model * Random Effects Model   **Assessment Method**:   * Presentations of cases and assignment * Tests and quizzes * Lab * Final semester exam * Other relevant works provided by instructors or advisors      * Verbeek, M. (2008). **A Guide to Modern Econometrics** (3nded.). John Wiley and Sons Ltd. * *Wooldridge ()* **Introductory Econometrics***; 2nd ed.* * Damodar Gujarati, (2001), **Basic Econometrics**, Mc-Graw Hill, Tokyo * Greene, William, H .(2000)**EconometricAnalysis**(Fourth Edition), Prentice Hall International. | | | | |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | Department of Accounting and Finance/ Banking and Finance | | | | |
| **Degree Program** | | MSc in Finance and Investment | | | | |
| **Course Code** | | MFI 542 | | | | |
| **Course Title**  **Credit hour** | | **Research Methods for Finance and Investment**  **3** | | | | |
| **Target Group** | | Students of Finance and Investment | | | | |
| **Year/Semester of offering** | | Year I Semester II | | | | |
| **Prerequisites**  **Course Description**  **Objective/learning outcomes**    **Course Contents**  **Learning & Teaching Methods** | | None  This course is a survey course intended to develop the student’s ability in scientific analysis and to provide opportunity for application of concepts and tools in the study of socio-economic problems in general and business problems in particular. It focuses on high quality inter-disciplinary quantitative and qualitative research methods especially oriented towards the theoretical and practical applications of business research. Topics to be covered include Theory and research, the concepts and purposes of social research, types of research, formulating business research problems and hypothesis, planning research design; data collection, data analysis and research report writing.  At the end of the course students will be able to:   1. Understand and explain the concepts, purposes and types of research. 2. Determine when research should be conducted and choose appropriate research methodology 3. Understand the relationship between theory and research 4. Formulate business research problems and hypothesis 5. Plan and conduct business research using different methods 6. Conduct advanced research in business and various fields of social science.   **Chapter 1: The Nature of Research**   * 1. Introduction   2. Meaning and Characteristics of Research   3. Research and scientific method   4. Objectives of Research   5. Types of Research   6. Criteria of a Good Research   7. Research Methodology, Methods and Techniques   8. Research Process: An overview   **Chapter 2: Research Philosophies and Paradigms**   * 1. Introduction   2. Ontological Foundations   3. Epistemological Positions   4. Differing Ontological and Epistemological Views   5. The Directional Relationship between Ontology, Epistemology, Methodology, Method and Source   6. The Research Paradigms      1. Positivism      2. Interpretivism      3. Critical Realism   **Chapter 3: Literature Review and Research Problem**   * 1. Critically Reviewing the Literature   2. formulating Research Problem   3. Preparing Research Proposal   4. The Use of Theory in Research   5. Ethics in Research   **Chapter 4: Research and Sampling Design**   * 1. Meaning of Research Design   2. Features of a Good Research Design   3. Types of Research Design   4. Sampling and Sample Design      1. Census Vs Sample Survey      2. The Need for Sampling      3. Characteristics of a Good Sample Design      4. Types of Sampling: Probability and Non-Probability      5. Sampling Error and Sampling Bias      6. Sample Size Determination   **Chapter 5: Data Collection Tools and Method**   * 1. Primary and Secondary data   2. Data Collection Techniques      1. Quantitative aproach      2. Qualitative approch      3. Mixed Method   3. Selection of Appropriate Method for Data Collection   **Chapter 6: Processing and Analysis of Data**   * 1. Data Management and Processing      1. Preparation of Data for Input: Coding and Checking      2. Data Entry: Creating Dictionary, Range and Skip rules      3. Data Editing and Cleaning   2. Analysis of Qualitative Data   3. Analysis of Quantitative Data   4. Employing Statistical Tools for Data Analysis   5. Interpretation of Data Analysis   6. Utilizing Computers for Data Processing (using SPSS and/or Excel)   **Chapter 7:Parametric and Non Parametric Test:**   * 1. T-Test, Z-Test, F-Test, U-Test, K-W Test   2. Kolmogorov – Smirnov Test – Runs Test for Randomness – Sign Test Median Test   3. ANOVA: One- Way and Two Way Classification ,   4. Statistical Analysis: Bivarate Analysis ,   5. Basic concepts of Multivariate statistical techniques-   6. Multiple regressions- Discriminant analysis, Factor analysis- Cluster analysis ,   **Chapter 8: Writing the Research Report**   * 1. Writing process      1. Data presentation and Interpretation      2. Tracing back to objective (s), questions and problems      3. Telling the story clearly and making good arguments      4. Claims, Reasons, and Evidence      5. Reliability, Validity and Triangulation   2. Contents of the Research Report   3. Styles, Citation, Referencing and Documentation     A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***. In addition to lecturing and presentations, participants will be taken through new techniques of data gathering and analysis based on information communication technology and relevant software programs such as Excel spread sheet and the SPSS. Participants will be required to carry out individual and group practical research assignments to demonstrate their understanding of the concepts and to be able to apply them in their thesis writing as well as in diagnosing and offering solution to public sector management related problems.  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Term paper/proposal work * Final semester exam   Other relevant works provided by instructors | | | | |
| **Media** | | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* | | | | |
| **References** | | Kothari, C.R. (2004), Research Methodology: Methods and Techniques, Revised Second Edition, New Age International(P) Limited Publishers, New Delhi, India  Zikmund, William G, (2000), **Business Research Methods**. 6th Edition,  Toronto: The Dryden Press Harcourt Brace College Publishers.  Bryman, Allen (2008), **Social Research Methods**, 3rd ed. Oxford, Oxford University Press.  Greener, Sue (2008), **Business Research Methods**, Ventus Publishing APS  Sakaran, Uma (2003), **ResearchMethods for Business: A Skill Building Approach**, 4thEdtion, John Wiley and Sons, Inc, Singapor.  Saunders, M., P. Lewis, et al. (2007), **Research Methods for Business Students**, Fourth Harlow, England, FT Prentice Hall, Pearson Education.  Shajahan, S. (2006), **Research Methods for Management** (Text and Cases), 3rd Ed.,Jaico Publishing House, Mumbai, India  TesfayAregawi (2009), Research Methods, Teaching Material, Mekelle University, College of Business and Economics, Department of Management, Mekelle, Ethiopia  John E. Creswell (2002). Research design: Qualitative, Quantitative and Mixed methods: (1st…… edition).  Cooper DR and Schindler PS. (2006). Business Research Methods, 9thed, McGraw–Hill: New York.  Blaxter et al. (2006). How to write research, 3rd ed., Open University press, England, pp. 99-130  Leedy P and Ormrod J (2005). Practical Research: Planning and Design 8thed, New Jersey Prentice Hall.  Janet M. Ruane (2005). Essentials of Research Methods: a guide to social science research, Blackwell Publishing, Victoria.  Judith Bell (2005). Doing your research: a guide for first-time researchers in education, health and social sciences, 4thed, Open University Press, UK.  Loraine B.,Christina H., and Malcolm T. (2006). How to write research, 3rded, McGraw Hill education, Berkshire.  Margarete S. and Julie B. (2007). Handbook for synthesizing qualitative research ,Springer Publishing Company,New York.  McKerchar, M. (2008). Philosophical Paradigms, Inquiry strategies and knowledge Claims: Applying the principles of research design and conduct to Taxation, e-Journal of tax research, 6(1) 5:22.  Babbie (2002). Survey Research Methods: wads worth publishing company Inco.USA  Hussey J. and Hussey R. (2000). Business Research, practical guide for undergraduate and post graduate students, Macmillan press LTD, Great Britain | | | | |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | | Department of Accounting and Finance/ Banking and Finance | | | |
| **Degree Program** | | | MSc in Finance and Investment | | | |
| **Course Code** | | | MFI 541 | | | |
| **Course Title**  **Credit hour** | | | **Financial Institutions and Markets**  **3** | | | |
| **Target Group** | | | Students of Finance and Investment | | | |
| **Year/Semester of Offering** | | | Year I Semester I | | | |
| **Prerequisites** | | | None | | | |
| **Course Description** | | | This course is designed to equip students with reasonable information about the role of a financial system in the economy. It covers discussion in relation to capital markets and the financial institutions in credit and saving mobilization endeavor, the nature of the financial system and the peculiar behavior of the major actors within the system. It covers such diverse issues as financial markets in the financial system, financial institutions- operations and their management, lease financing, Venture capital financing and related financial services, regulations of financial markets. The various financial instruments with their unique feature and use will also be discussed. The course, after discussing the overall nature and role of a financial system, discusses the Ethiopian financial system. | | | |
| **Objective/learning outcomes** | | | After completion of this course, students are expected to be able to:   1. Describe the what a financial system is and explain its role in the economy 2. Discover the role of major actors of the financial system 3. Explain the function of the financial markets and related instruments 4. Clarify the functions of investment banking, Mutual funds 5. Demonstrate and evaluate (including comparing and contrasting) the viability of Lease financing and Hire-purchase, 6. Explain the nature, functions and operations venture capital financing 7. Identify the major risks of financial institutions (especially in banks) and explain the common risk management techniques 8. Provide argument for/against regulating Financial Institutions and Markets 9. Explain the role and contributions of the financial institutions and emerging markets in Ethiopia | | | |
| **Course Contents** | | | **Chapter 1: An overview to the Financial System**  1.1. Concepts of financial System  1.2. The role of financial system in an economy  1.3. Financial assets: concepts, feature, role and value  1.4. Types of financial institutions (formal and informal)  1.5. Benefits of Financial intermediaries  1.6. Financial Markets and market participants  1.6. Commodity Markets   * What is commodity exchange * Commodities Suitable for Trading in Commodity Exchange * Regulation of the Commodity Exchange   **Chapter 2: Financial Markets in the Financial System**  2.1. Primary and Secondary markets  2.2. Money Market  2.3. Capital Markets (Stock market and Bond Market)  2.4. Introduction to foreign exchange market  2.5. Stock Exchange (Concepts, role, benefit, cost and challenges to LDCs)  **Chapter 3: Financial Institutions and Operations**  3.1. Central Banking and the conduct of monetary policy  3.2. Deposit taking Financial Institutions  2.4. Non-deposit taking financial institutions  2.4.1 Insurance companies, Pension Funds  2.4.2. Mutual Funds and Investment Banks  **Chapter4: Risk management in Financial Institutions**  4.1. Identifying major financial risk (Credit risk, interest rate risk, foreign exchange risk, operational risk, commodity risk  4.2. Risk management frameworks and mechanisms  4.3 Hedging with financial derivatives (introduction)  **Chapter 5: Lease Financing and Venture Capital**  5.1. Lease Financing  5.2. Hire-Purchase  5.3. Venture Capital  **Chapter 6: Regulation of Financial Markets**  6.1. The role of government  6.2. The theory of regulation  6.3. The Market failure argument  6.4. Globalization and financial market regulation  **Chapter 7: Ethiopian Financial Markets and Institutions**  7.1. Introduction  7.2. The formal financial sector  7.3. The Semi-formal financial sector  7.4. The informal financial sector  7.5. Financial market regulation in Ethiopia | | | |
| **Learning & Teaching Methods** | | | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***.  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors or advisors | | | |
| **Media** | | | *Handouts, PPT printouts , worksheets, selected case readings, etc.* | | | |
| **References** | | | 1.DAAD *Rural Finance and Microfinance,*  2. Fabozzi, F., & Modigliani, F. (2003). *Capital Markets: Institutions and Instruments*.  3. Fabozzi F., The hand book of Financial instruments, John Wiley & Sons, Inc. 3rd ed., Prentice Hall.  4. Frederic S. Mishkin, (2003), The Economics of Money, Banking, and Financial Markets, 5thed  5. Kohn. M., (2005), *Financial Institutions and Markets,* Tata Mcgraw-Hill,  6. Lawrence S. Ritter, (2000) Principles of Money, Banking, and Finacial Market, 10thed  7. Ledgerwwod, J. (2002): *Microfinance Hand Book: Sustainable Banking with the Poo*r, the World Bank, Washington D.C.  8. L.M Bhole, *Financial Institutions and Markets,* 4thed, Tata Mcgraw-hill  9. Pilbeam.K (2005), Finance and Financial Markets 2nd ed.  10. Saunders, A., & Cornett, M. M., (2007), *Financial Markets and Institutions: An Introduction to the Risk Management Approach*, 3rded, Tata Mcgraw-Hill  11. Breally, R. A. and Myers, S.C. (1996). Principles of Corporate Finance 5th ed., the McGraw-hill Company , USA  12. Brigham, E. And Houston, J. F. (1999). Fundamentals of Financial Management 9th edition  13. Cornet, M.M. and Saunders, A. Financial Markets and Institutions, 3rd edition  14. Fabozzi, F. And Modigliani F. (2003). Capital Markets and Instruments, 3rd edition  15. Khan, M.Y. and Jain, P.K. (1999). Financial Management, Text, and Problems, 3rd ed.  16. Pandey, I. M. ( ) Financial Mangemtnt, 8th edition  17. Ross, Westfied, and Jordan. (2000). Fundamentals of Corporate Finance, 5thed  18. Sharf, W.F., Alexander, J. and Bailly J.V. Investments 5th edition, Printice-Hall of India Pvt Limited | | | |
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| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | |
| **Host Department** | Department of Accounting and Finance/ Banking and Finance |
| **Degree Program** | MSc in Finance and Investment |
| **Course Code** | MFI 521 |
| **Course Title**  **Credit hour** | **Financial Analysis and Control**  **2** |
| **Target Group** | Students of Finance and Investment |
| **Year/Semester of Offering** | **Year I Semester I** |
| **Prerequisites** | None |
| **Course Description** | The course starts with basic objectives of shareholder value maximization, Agent and principal relationship in the corporate world, obstacles to maximize the shareholders’ value, rapport report on shareholders’ value maximization, financing and investment decisions, financial control techniques and tools like financial break even analysis, EBIT-EPS analysis, ROI-ROE analysis, it also inculcate knowledge of assessing the debt capacity of the firm and find out optimal capital structure in the dynamic environment and new innovative financial analysis. The course also covers the business valuation and performance, and explore new dimension of financial decision making process. |
| **Objective/learning outcomes** | After studying this unit, you should be able to   1. Explain what financial analysis and control means, the role of the financial analyst the goals of financial analysis. Besides they will be able to make different financial analysis and interpretation for financing and investing decisions, using the innovative financial analysis tools. 2. Demonstrate the planning system/process and prepare financial plans and forecasts. They will be able and also understand the financial modeling and growth and external financial requirements 3. Apply the concept of financial modeling to prepare projected financial statements and ratios. 4. Evaluate long-term investment decisions using advanced techniques for capital budgeting. 5. Explain the concept and use of cost of capital and calculate and interpreted specific cost of capital, weighted average cost of capital, and weighted marginal cost of capital 6. Demonstrate how best/optimum capital structure is developed. 7. Explain the conceptual framework of valuation, and show how value of a business is determined using traditional and new approaches. 8. Explain the different sources of short-term finance (including venture capital and lease financing |
| **Course Contents** | **CHAPTER 1: AN OVERVIEW OF FINANCIAL ANALYIS**  1.1 Financial Analysis- An Overview  1.2 Goals of Financial Analysis  1.3 Users of Financial Analysis  1.4 Financial Ratio Analysis  1.5 Standardized Financial Statements  1.6 The Process in Financial Analysis  1.7 Financial Ratio Analysis  1.8 Du -pont Analysis  1.9 The Application of Analytical Techniques for Specific Problems.  1.10 Innovative Financial Analysis Tool – Altman Z Score Model  **CHAPTER 2: COST OF CAPITAL AND BUSINESS DECISION**  2.1. Importance and Concepts  2.2. Measurement of Specific Costs  2.3. Cost of Equity Capital – Dividend Valuation Model  2.4. Cost of Equity Capital – Capital Asset Pricing Model  2.5. Weighted Average Cost of Capital  2.6. Weighted Marginal Cost of Capita  2.7. Flotation Costs, Cost of Capital and Investment Analysis.  **CHAPTER 3: DIFFERENT KINDS OF ANALYSES FOR CHOOSING A CAPITAL STRUCTURE**  3.1. Introduction  3.2. Capital Structure: An overview  3.3. EBIT – EPS Analysis  3.4. ROI – ROE Analysis  3.5. Leverage Analysis  3.6. Ratio Analysis  **CHAPTER 4: CAPITAL BUDGETING - ADVANCED EVALUATUION METHODS**  4.1. Capital Budgeting and Capital budgeting techniques- At Glance  4.2. Sensitivity Analysis  4.3. Scenario Analysis  4.4. Break-Even Analysis  4.5. Hiller Model  4.6. Simulation Analysis  **CHAPTER 5 : FINANCIAL PLANNING AND FORECASTING**  5.1. The Planning System  5.2. Financial Planning Process  5.3. Financial Forecasting  5.4. Proforma Profit & Loss Account and Balance Sheet  5.5. Financial Modeling  5.6. Growth and External Financial Requirements.  5. 7. Cash flow Analysis  5.8. Comparative Analysis  **CHAPTER 6: VALUATION AND BUSINESS PERFORMANCE**  6.1. Conceptual Framework of Valuation  6.2. Approaches of Valuation  6.2.1. Asset Based Approach to Valuation  6.2.2. Earnings Based Approach to Valuation  6.2.3. Market Value Based Approach to Valuation  6.2.4. New Approaches of Valuation (Market Value Added Approach & Economic Value Added.  **Chapter 7: SHORT-TERM AND LONG-TERM FINANCIAL SOURCE**  7.1.Nature and sources of short-term finance  7.2. Nature and sources of long-term finance  7.3. Lease and Hire-purchase financing  7.4. Venture Capital Financing |
| **Learning & Teaching Methods** | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***.  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors or advisors |
| **Media** | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* |
| **References** | **REFERENCES:**   * 1. Erich A. Helfert (2001) , Financial Analysis: Tools and Techniques, Tata McGraw-Hill,.   2. Brigham and Houston , (1983), Fundamentals of Financial Management, 3rd edition, the Dryden Press,.   3. Weston, J.F., and Brigham, E.F. (1981), Essentials of Managerial Finance, 7th edition, Dryden Press,.   4. GUP, B.E.(1983) Principles of Financial Management, John willey and Sons,.   5. Kolb B.A (1983)., Principles of Financial Management, Business Publications Inc,.   6. Brealey, R.and Myers,(1984) , Principles of Corporate Finance, 2nd edition, Tata McGraw-Hill international Book Company,.   7. Pandey. I.M (2007) , Financial Management, 9th  edition, Vikas Publishing House Pvt. Ltd.,   8. Block and Hurt,(1989).Fundamentals of Financial Management, 5th edition, Irwin,   9. Khan and Jain, (2007) Financial Management -Text, problems and Cases, Tata McGraw-Hill,.   10. Prasnna Chandra, (2009) Financial Management- Theory and Practice, 7th edition, Tata McGraw Hill Education Private Limited,.   11. Ross, Westerfield and Jordon, (2000). Fundamentals of Corporate Finance, 5th edition, Irwin McGraw-Hill,.   12. Any book on Financial Management which is relevant for the issues identified in each unit. |

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| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | | Department of Accounting and Finance/ Banking and Finance | | | |
| **Degree Program** | | | MSc in Finance and Investment | | | |
| **Course Code** | | | MFI 512 | | | |
| **Course Title**  **Credit hour** | | | **Advanced Corporate Finance**  **3** | | | |
| **Target Group** | | | Students of Finance and Investment | | | |
| **Year/Semester of Offering** | | | **Year I, Semester II** | | | |
| **Prerequisites** | | | None | | | |
| **Course Description** | | | The aim of this course is to provide an in-depth understanding of the tools and concepts of corporate finance. This course also examines a variety of applied topics in corporate finance and it is divided into two parts. The first part of this course builds on and extends the concepts covered in the basic financial management course. The major topics covered include important issues in corporate finance, capital structure theories, dividend theories, policy and firm valuation, and the analytical tools and financial theories discussed in the course are brought together in practical settings through the discussion of selected cases. The purpose of second part of this course is to provide the student with the necessary skills to value and to employ options, futures, and related financial derivatives. In order to provide a useful treatment of these topics in an environment that is changing rather rapidly, it is necessary to stress the fundamentals and to explore the topics at a technical level. The topics that will be covered include an overview ofderivative securities, futures and forwards: trading mechanism and pricing, hedging strategies using futures, interest rate markets, swaps, mechanics of options markets, option pricing, strategies involving options. | | | |
| **Objective/learning outcomes** | | | After studying this course, students would be able to   1. Explain the basic capital structure theories, as well as the other theories like trade-off theory, pecking order theory, agency cost theory, signaling theory and market timing theory. 2. Explain an overview of dividend theory, dividend relevance theories, dividend irrelevance theories and also demonstrate the dividend policy formulation, corporate dividend behavior and legal and procedural aspects in general 3. Demonstrate the methods and key premises of value based management (VBM), Marakon approach, Alcal Approach, McKinsey approach, McKinsey approach, Stern Stewart approach and Boston constructing group approach. 4. Give detail explanations of the concepts, types, functions, and features of different financial derivatives. Besides they will show how financial derivatives are traded and priced. | | | |
| **Course Contents** | | | **CHAPTEER 1: CAPITAL STURCURE THORIES**  1.1. Basic capital structure theories- An overview  - Net income approach  - Net operating income approach  - Traditional approach  - M.M approach  1.2. Trade-off theory  1.3. Pecking order theory (including extend pecking order model)  1.4. Agency cost theory  1.5. Signaling theory  1.6. Market timing theory  **CHAPTER 2: DIVIDEND THEORIES, POLICY AND FIRM VALUATION**  2.1. An overview of dividend theory  2.2. Dividend relevance theories  - Traditional model  - Walter’s model  - Goldon’s dividend capitalization model  - Bird-in-hand theory  - Dividend signaling theory  2.3. Dividend irrelevance theories  - Residual theory  - M.M model  - Dividend clientele effect  - Rational expectation model  2.4. Dividend policy - An overview  - Dividend policy formulation  - Corporate dividend behavior – Lintner’d model  - Legal and procedural aspects - In general  **UNIT- 3: CORPORATE VALUE BASED MANAGEMENT**  4.1. Methods and key premises of VBM  4.2. Marakon approach  4.3. Alcal Approach  4.4. McKinsey approach  4.5.Stern Stewart approach  4.6. Boston constructing group approach  **UNIT- 4: INTRODUCTION TO DERIVATIVE SECURITIES**  5.1. Concepts of derivatives  5.2. Features of financial derivatives  5.3. Types of financial derivatives  5.4. Uses and functions of derivatives  5.5. Futures contract (Types and features)  5.6. Forward contract (Types and features)  5.7. Distinction between futures and forward contract  5.8 SWAP (Types and features of SAWAP)  **UNIT- 5: AN OVERVIEW OF TRADIGN AND PRICING MEHCANISMS OF DERIVATIVES**  5.1. Trading and Pricing of Future markets  5.2. Trading and Pricing of Forward contract  5.3. Trading and Pricing of Option markets  5.4. Trading and Pricing of SWAP  **UNIT- 6: HEDGING STRATEGIES USING FUTURES**  6.1. Concepts of hedging  6.2. Types of hedging  6.3. Basis risk and price risk  6.4. Hedging strategy  6.5. Hedge ratio  6.6. Management of hedge position | | | |
| **Learning & Teaching Methods** | | | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***.  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final semester exam * Other relevant works provided by instructors | | | |
| **Media** | | | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* | | | |
| **References** | | | **Texts:**   1. Khan and Jain, (2007). Financial Management -Text, problems and Cases, India, (6th Edition), Tata McGraw-Hill. 2. John C. Hull, (2003). Options, Futures, and other Derivatives, India (5th Edition), Pearson Education.   **REFERENCES:**   1. Brigham and Housten, (2009).*Fundamentals of Financial Management*,12th Ed, South Western Cengage Learning, Mason. 2. I.M.Pandey, (2007). Financial Management, (9th Edition), Vikas Publishing House Pvt. Ltd.,. 3. Block and Hurt, 1989, Fundamentals of Financial Management, (5th Edition), Irwin McGraw-Hill. 4. Prasnna Chandra, (2009). Financial Management- Theory and Practice, (7th Edition), Tata McGraw Hill Education Private Limited,. 5. Ross, Westerfield and Jordon, (2000). Fundamentals of Corporate Finance, (5th Edition), Irwin McGraw-Hill,. 6. Berk,DeMarzo,Harford. (2012).*Fundamentals of Corporate Finance*, 2nded,Prentice Hall, Boston. 7. Arthur, J.,Keown, John, D., Martin, J., William, P.,& David, F. Scott, Jr. (2005).*Financial Management; Principles and Applications,* Tenth Edition, Pearson Prentice Hall. 8. Robert F Bruner (2003).*Case Studies in Finance; Managing for Corporate Value Creation,* Fourth Edition, McGraw - Hill Irwin, Boston 9. Stephen, A., Ross, Randolph, W.,Westerfield& Jeffrey, J. (2005). *Corporate Finance,* 7th Edition, McGraw-Hill, Boston. 10. Any book on Financial Management and Derivatives which is relevant for the issues identified in each unit. | | | |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department/** | | | | | Department of Accounting and Finance/ Banking and Finance | | | |
| **Degree Program** | | | | | MSc in Finance and Investment | | | |
| **Course Code** | | | | | MFI 532 | | | |
| **Course Title**  **Credit hour** | | | | | **International Business Finance**  **3** | | | |
| **Target Group** | | | | | Students of Finance and Investment and MBA Finance Specialization | | | |
| **Year/Semester of Offering** | | | | | **Year I, Semester II** | | | |
| **Prerequisites** | | | | | None | | | |
| **Course Description** | | | | | International Finance is designed to better develop those skills that equip students to understand and appreciate the international financial issues that companies face when they operate in several separate countries. The subject will develop both the theoretical foundation and the practical skills of those who will operate in an increasingly globalized business environment. It covers various international financial management issues, which are essential for those who are engaged and active in international business management.  It covers such topics as environment of international business and finance, Foreign Exchange and foreign exchange risk management, management of International Long-term asset and long-term financing, Foreign direct investment and International monetary system, and Multinational working capital management (current assets and short-term financing) | | | |
| **Objective/learning outcomes** | | | | | The recent globalization made international financial management more challenging. International companies/Multinational Companies (MNCs) must respond by to these challenges. Those MNCs that are most capable of responding to challenges in the international financial environment will be rewarded. The same will be true for the students who may become the future managers of international companies. Therefore, the objective of this course is to equip students with theories and practices of international business and international finance. | | | |
| **Course Contents** | | | | | **Unit 1: Introduction to International Business and Finance**   * 1. Why companies go outside domestic territory   2. Why study International Finance   3. Theories of International Business   4. International Financial markets and Business Methods   **Unit 2: Foreign Exchange Market and Dealings**  2.1 Foreign Exchange/Exchange rate definition  2.2 Motives for Using International Financial Markets.  2.3 Foreign Exchange Transaction/dealings and related issues  2.4 International Arbitrage  2.5 Factors that influence Exchange rates  2.6 Exchange rate determination- Equilibrium approach  2.7 Measuring Exchange rate movement  2.8 Government influence on exchange rate  **Unit 3: Foreign Exchange Risk Management**  3.1 Types of risks or exposures  3.2 Measuring Exchange rate movements  3.3 Foreign Exchange risk management- external techniques  3.4 Foreign Exchange risk management –internal techniques  **Unit 4: Management of MNC’s Long-term Asset**   * 1. Capital budgeting for foreign investment   2. Subsidiary versus parent perspective   3. Factors to Consider in MNC capital budgeting   4. Illustration on MNC Capital Budgeting   **Unit 5: Multinational Cost of Capital and Capital Structure**  5.2 Long-term Financing Decisions  5.3 Cost of capital for MNCs  5.4 Capital structure for MNCs  **Unit 6: Multinational Working capital management**  6.1Short-term financing strategy  6.2 International cash, receivables and inventory management | | | |
| **Learning & Teaching Methods** | | | | | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors | | | |
| **Media** | | | | | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* | | | |
| **References** | | | | | Apte, P. G. 2006. *International Financial Management,* 4thed  Brigham, E. F. and Houston, J. F. 2001. Fundamentals of Financila Management 9thed  Connolly, M. 2007. International Business Finance. Routledge, New York and London. Hill, C.W.L. 2003. *International Business,4thed*  Katsiolouds, M.I. and Hajidakis, S. 2007. Iterantional Business: A Golabalpespectie  Khan, M.Y. 7 Jain, P.K. 2007. *Financial Management*, 5thed,  Kim, S and Kim, S.H. 2006. Global Corporate Finance, Text and Cases. Blackwell publishin, USA and Australia  Kohn, M. 2005. *Financial Institutions and markets,*  Madura, J. 2000. *International Financial Management*, 6thed  Mishkin F. S. 1998. The Economics of Money, Banking, and Financial Markets, 5thed  Mishkin, F. S. and Eakins, S. G. 2009. Financial Markets and Institutions, 6th ed.  Pilbean, K. 1998. *International Finance,* 2nd Ed  Resrik, E. 2004. International Financial management, 3rd ed. The McGraw-Hill companies Sercu,P. International Finance: Putting Theory into Practice | | | |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | | Department of Accounting and Finance / Banking and Finance | | | |
| **Degree Program** | | | MSc. in Finance and Investment | | | |
| **Course Code** | | | MFI 521 | | | |
| **Course Title**  **Credit hour** | | | **Public Finance and Taxation**  **2** | | | |
| **Target Group** | | | Students of Finance and Investment. | | | |
| **Year/Semester of offering** | | | **Year I, Semester I** | | | |
| **Prerequisites**  **Course Description**  **Objectives/Learning**  **outcome**  **Course Contents** | | | None  The course covers theories of public finance and taxation involving the source, classification of revenue, approaches and effects of taxation, taxable capacity and the pattern of government expenditure. It also covers incidence and shifting of taxes, kinds of taxes and problems of tax reform in general, financial administration and federal finance. The role played by fiscal policy in articulating and achieving development objectives of national plans also included. Government debt and the problem of debt servicing with reference to developing countries and finally it also covers the Ethiopian tax system.  The objective of this course is to acquaint students with general theory if public finance and how government policy especially tax, expenditure and debt policy affect the economy and thereby the welfare of its citizens. It enables the students to know what specific policies will be used by the government to achieve its principal objectives such as stability, efficiency, growth of the economy.  **Chapter 1: Public Finance –An overview**   * 1. Definition of public finance   2. Scope of public finance   3. Public revenue   4. Public expenditure   5. Public debt   6. Public administration   7. Fiscal federalism   **Chapter 2: Incidence and Shifting of Taxes**  2.1 Meaning of Impact, shifting and incidence  2.2 Distinction of between impact and Incidence  2.3 Tax shifting  **Chapter 3: Kinds of Taxes and Problems of Tax Reform**  3.1 Direct and indirect taxes – An overview  3.2 Comparison between direct and indirect taxes  3.3 Different types of tax systems  3.4 Tax evasion and Tax Avoidance  3.5 Causes of tax evasion  3.6 Method / Sources of Tax evasion  3.7 Methods / Sources of Tax avoidance  **Chapter 4: Fiscal Policy**  4.1 Concepts and significance of fiscal policy  4.2 Fiscal Instruments  4.3 Objectives or Purposes of fiscal policy  4.4 Compensatory Fiscal policy  4.5 Discretionary Fiscal policy  **Chapter 5: Tax systems in Ethiopia**  5.1 An overview of the Ethiopian tax system  5.2 Taxes and tax reform in Ethiopia  5.3 Major Types of taxes existing in Ethiopia  5.5 Categories of tax payers  5.4 Computation of the different types of taxes  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors or advisors | | | |
| **References** | | 1. Principles of Public Finance: J. Ronnie Davis & Charles W .Meyer, Prentice-Hall, Inc., New Jersey. 2. Public Finance In Theory and Practice: Richard A. Musgrave & Peggy B. Musgrave, McGraw-Hill Book Co., New York. 3. Public Finance and the Price System: Edgar K. Browning & Jacqueline M. Browning, Prentice-Hall, New Jersey. 4. Modern Public Finance: Bernard P. Herber, Richard D. Irwin Inc., Harward Illinois. 5. Public finance: Harvey S. Rosen, Richard D. Irwin Inc. ,U.S.A | | | | |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | | | | |
| **Host Department** | | | Department of Accounting and Finance / Banking and Finance | | | |
| **Degree Program** | | | MSc. in Finance and Investment | | | |
| **Course Code** | | | MFI 522 | | | |
| **Course Title**  **Credit hour** | | | **Investment Analysis and Portfolio Management I**  **3** | | | |
| **Target Group** | | | Students of Finance and Investment. | | | |
| **Year/Semester of offering** | | | **Year I, Semester II** | | | |
| **Prerequisites**  **Course Description**  **Objectives/Learning**  **outcome**  **Course Contents**  **References** | | | None  This course provides an overview of the field of investments, describes the features of various investment alternatives. It explains basic concepts and methods useful in investments. Course also tries to measure the risk and return of individual assets as well as portfolio of assets. It also covers fundamental and industry analysis.  The course will provide students to understand different investment avenues and aware of risk and return of different investment avenues and ability to estimate the value of securities by using fundamental and technical analysis and also know the miss- priced securities in market valuable investment decision.  **Chapter 1: Introduction**   * 1. Investment alternatives   2. Investment attributes   3. How do various Investment avenues compared?   4. Investment VS. Speculation   5. Investment Vs. Gambling   6. Financial Markets      1. Functions of financial markets      2. Classification of financial markets   7. Portfolio Management Process   8. Approaches to investment decision making   9. Common errors in investment management   10. Qualities for successful investing   **Chapter 2: Risk and Return**  2.1 Return-An overview and components  2.2 Risk – An overview, sources and types of risk  2.3 Measuring Historical return  2.4 Measuring Historical risk  2.5 Measuring Ex ante return and risk  **Chapter 4: Capital Asset Pricing And Arbitrage Theory**  4.1 Basic Assumptions  4.2 Capital Market Line  4.3 Security Market Line  4.4 Inputs required for applying CAPM  4.5 Empirical Evidence on the CAPM  4.6 Arbitrage Pricing Theory  **Chapter 5: Leading Stock Exchanges in The World**  5.1 New York Stock Exchange(NYSE)  5.2 Tokyo Stock Exchange(TSE)  5.3 London Stock Exchange(LSE)  5.4 Bombay Stock Exchange (BSE)  5.5 JSE Limited, South Africa  5.6 Ghana Stock Exchange  5.7 Status of Stock Exchange Development in Ethiopia  **Chapter 6: Security Market Indicators**  6.1 The concept of security market indices  6.2 Utility of security market indices  6.3 construction of security market indices  6.4 Types of security market indices  6.5 limitation of various indices  6.6 Ghana Stock Exchange  6.7 Status of Stock Exchange Development in Ethiopia  **Chapter 7: Valuation Of Fixed Income Securities**  7.1 Bond prices and Yields  7.2 Bond Characteristics  7.3 Bond Prices  7.4 Bond Yields  7.5 Risks in Bonds  7.6 Rating of Bonds  7.7 The yield Curve  7.8 Explaining the Term structure  7.9 Determinants of Interest Rates  7.10 Analysis convertible Bonds  **Chapter 8: Valuation Of Equity Shares**  8.1 Fundamental Analysis: An overview  8.2 Economic Analysis  8.2.1 Macroeconomic Factors  8.3 Industry Analysis  8.3.1 Industry Life Cycles  8.3.2 Classification Industry  8.3.3 Characteristics of An Industry Analysis  8.3.4 Profit Potential of Industries: Porter Model  8.3.5 Techniques for Evaluating Relevant Industry Factors  8.4 Company Analysis  8.4.1 Objective of Company Analysis  8.4.2 Significant Factors to Be Considered For Company  **Unit 9: Technical Analysis**  9.1 Technical Analysis: An Overview  9.2 Charting Techniques  9.3 Technical Indicators  9.4 Testing Technical Trading Rules  9.5 Evaluation of Technical Analysis  **Chapter 10: Efficient Market Hypothesis**  10.1 Random Walk and Search Theory  10.2 Efficient Market : An Overview  10.3 Empirical Evidence on Weak Form Efficient Market Hypothesis  10.4 Empirical Evidence on Semi-Strong Form Efficient Market Hypothesis  10.5 Empirical Evidence on Strong Form Efficient Market Hypothesis  10.6 What is the Verdict?  10.7 Implications for Investment Analysis  **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors   Chandra, P. (2005). *Investment analysis and portfolio Management* (2ndE.d). New Delhi. Tata McGraw-Hill publishing Company Limited  Security analysis and portfolio management by Donald E. Fisher and Ronald J Jordan  Security analysis and portfolio management by V.A. Anadhani : Himalaya Publishing House Ltd.  Herbert, B. & Mayo. (2008). *Investments an introduction*, 9thed, Thomson south western  Bodie, K. &Marcus. Investments, 5th edition , McGraw-Hill/lrwin  Charles, P. & Jones. (2000). *Investments Analysis and Management*, John Wiley Song Inc. NY  Jerome, B., Cohen &Edwand, D. Z., *Investment and Portfolio Management*; Richard D Irwin, Inc. Homevvood, Illinois.  Moorad Ch. & Didier J. (2010). *Capital market instruments analysis and valuation* 3rd Edition. PalagraveMcMillan. | | | |
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| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | |
| **Host Department** | Department of Accounting and Finance/ Banking and Finance |
| **Degree Program** | MSc in Finance and Investment |
| **Course Code** | MFI 612 |
| **Course Title**  **Credit hour** | **Investment Analysis and Portfolio Management-II**  **2** |
| **Target Group** | Students of Finance and Investment |
| **Year/Semester of Offering** | Year II Semester I |
| **Prerequisites** | MFI 522 |
| **Course Description** | This course provides investment process which consists of two broad tasks. One task is security and market analysis, by which we assess the risk and expected return attributes of the entire set of possible investment vehicles (i.e., this covers the first part of the course, *Investment Analysis and Portfolio Management-I*). This second part of the course (*Investment Analysis and Portfolio Management-II*) covers the formation of an optimal portfolio of assets. This task involves the determination of the best risk-return opportunities available from feasible investment portfolios and the choice of the best portfolio from the feasible set. This is commonly known as Portfolio Theory. This explains the basic tenet that investors avoid risk and demand a reward for engaging in risky investments. It allow us to quantify investors’ personal tradeoffs between portfolio risk and expected return by using the concept utility function. It also explains that the proper way to measure the risk of an individual asset is to assess its impact on the volatility of the entire portfolio of investments. |
| **Objective/learning outcomes**  **Learning & Teaching Methods**  **Media**  **References** | The objective of this course is to understand the basics of portfolio management and derivative instruments and their role to hedging the risks.  **Chapter 1:PORTFOLIO MANAGEMENT**   * 1. Meaning of portfolio   2. Process of portfolio management   3. Factors contributing to portfolio management   4. Principles of portfolio management   5. Policies of portfolio management   **Chapter 2: PORTFOLIO ANALYSIS**   * 1. Expected return of portfolio   2. Risk of portfolio   3. Diversification and its impact on risk   4. portfolio with more than two security   5. Risk and return calculation   **Chapter 3: PORTIFOLIO SELECTION**   * 1. Introduction to Markowitz Model   2. Assumption of Markowitz Model   3. Investment portfolio criteria   4. Efficientportfolio   5. Portfolio selection   6. Approaches in portfolio construction   **Chapter 4- PORTIFOLIO PERFORMANCE EVALUATION**   * 1. Meaning of portfolio evaluation   2. Measuring portfolio returns   3. Sharpe’s measure   4. Treynor measure   5. Jensen measure   **Chapter 5: PORTIFOLIO REVISION**   * 1. Need and importance of portfolio revision   2. Passive management   3. Active management   4. The formula plans   5. Variable ratio plan   6. Revision and cost   **Chapter 6- TRADING IN PORTIFOLIO MANAGEMENT**   * 1. Disinvestment introduction   2. Role of disinvestment   3. Types of disinvestment   4. Factors influencing disinvestment   5. Disinvestment by government sector   6. Problems by public sector unit disinvestment   **Assessment Method**   * Cases and assignments * Tests and quizzes * Article review * Final exam * Other relevant works provided by instructors   A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***  *Handouts, PPT printouts , worksheets, selected case readings, software*  Chandra, P. (2005). *Investment analysis and portfolio Management* (2ndE.d). New Delhi. Tata McGraw-Hill publishing Company Limited  Security analysis and portfolio management by Donald E. Fisher and Ronald J Jordan  Security analysis and portfolio management by V.A. Anadhani : Himalaya Publishing House Ltd.  Herbert, B. & Mayo. (2008). *Investments an introduction*, 9thed, Thomson south western  Bodie, K. &Marcus. Investments, 5th edition , McGraw-Hill/lrwin  Charles, P. & Jones. (2000). *Investments Analysis and Management*, John Wiley Song Inc. NY  Jerome, B., Cohen &Edwand, D. Z., *Investment and Portfolio Management*; Richard D Irwin, Inc. Homevvood, Illinois.  Moorad Ch. & Didier J. (2010). *Capital market instruments analysis and valuation* 3rd Edition. PalagraveMcMillan. |

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| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | |
| **Host Department** | Department of Accounting and Finance/ Banking and Finance |
| **Degree Program** | MSc in Finance and Investment |
| **Course Code** | MFI 641 |
| **Course Title**  **Credit hour** | **Project Analysis and Financing**  **2** |
| **Target Group** | Students of Finance and Investment |
| **Year/Semester of Offering** | Year II Semester I |
| **Prerequisites** |  |
| **Course Description** | This course simultaneously presents the general principles of project management while addressing specific examples across a wide range of applications from various disciplines. The course will deal with project management concepts in a holistic, integrated fashion whereby students can explore via class discussion both technical and managerial challenges. Students will learn how to identify and schedule project resources, create project flow charts, and produce critical path planning and evaluation reports. The major topics to be covered in this course include: An overview of project management, Concepts and principles of project management, Project planning and selections, Project executions and Monitoring. |
| **Objective/learning outcomes** | The main objective of this course is to provide students with a good understanding of project management concepts so that they can be equipped with the basic skill and knowledge so that, as future project managers and financial analysts, can plan projects, execute project resources efficiently and effectively and monitor the performance of projects.  To that effect, the primary goals of the course are:  1. To understand the concepts of project definition, life cycle, and systems approach  2. To understand basic project management concepts and explain how they are related.  3. To demonstrate their ability to compute project scheduling using the critical path method  4. To develop competency in project scooping, work definition, and work breakdown structure (WBS);  5. To handle the complex tasks of time estimation and project scheduling, including PERT and CPM  6. To develop competencies in project costing, budgeting, and financial appraisal;  7. To gain exposure to project control and management, using standard tools of cost and schedule variance analysis |
| **Course Contents** | **Chapter I: An Overview of Project Management**  1.1. Project management Defined  1.2 Phases of Project Management  1.3 Project Management in contemporary environment  1.3 Role of Project Manager  1.4 Benefits of Project management  **Chapter II: Concepts and principles of Project management**  2.1 Project parameters  2.2 The 7-S of Project Management  2.3 The Scope Triangle  2.4 Principles of Project Management  2.5 project Management Life Cycle  **Chapter III: Project Planning**  3.1 The planning Process  5.2 Net Work Techniques  5.3.1 CPM and PERT  5.3.2 project crushing  3.2 Work Break downs  3.3 Modeling the Project System  **Chapter IV: Project Analysis and Selection**  4.1 Market Analysis  4.2 Technical Analysis  4.3 Financial Analysis  4.4 Risk Analysis  4.6 Project Selection Methods  **Chapter V: Execution and Monitoring**   * 1. Project Structures-teams and organizations   2. Monitoring and control progress   3. Project Status Reviewing Methods   4. Close out projects   **Assessment Method**   * Cases and assignments * Tests and quizzes * Project work * Final exam * Other relevant works provided by instructors |
| **Learning & Teaching Methods** | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***. |
| **Media** | *Handouts, PPT printouts , worksheets, selected case readings, software packages, etc.* |
| **References** | Development Project Studies Authority (DEPSA), Guildlines to project Planning in Ethiopia, Addis Ababa, 1990.  DEPSA, National Economic parameters for Ethiopia 1981 and 1990  J.Price, Gittinger Economic Analysis of Agricultural Project. The John Hopkins University Press, 1972  IRVIN G. Modern Cost Benefit Method: An Introduction of Financial Economic and Social Appraisal of Development Projects  UNIDO, Manual for the Preparation of Industrial Feasibility Studies, UN, NY, 1991  UNIDO, G Guide to Practical Project Appraisal (Written by HANSEN), UN, 1978  Little L.M.D. And Mirrless, J. A Project Appraisal and Planning for Developing Countreis, Henemann, 1974  K. Dasgupta and D.W Pearce Cost Benefit Analysis:Theory and Practice  Squire L. and Van Der Tak H. Economic Analysis of projects, John Hopkins, 1975 |
| **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | |
| **Host Department** | Department of Accounting and Finance/ Banking and Finance |
| **Degree Program** | MSc in Finance and Investment |
| **Course Code** | MBA 651 |
| **Course Title**  **Credit hour** | **Strategic Management**  **2** |
| **Target Group** | Students of Finance and Investment |
| **Year/Semester of Offering** | Year II Semester I |
| **Prerequisites** |  |
| **Course Description** | There is a difference in strategic thinking, strategic management and strategic planning.  This course is to expose the students to the relative differences and establish a strategic framework that will facilitate integration of all other MBA study.  This course is devoted to identifying and describing the various strategies a company can pursue to achieve superior performance. Many of these strategies are generic – that is, they apply to all organizations, large or small, manufacturing or service, and profit seeking or not for profit. The central aim of this course is to give a thorough understanding of the analytical techniques and skills necessary to identify and exploit strategies successfully. Specifically, the course covers; the meaning & role of strategic management, nature of strategic management, strategy formulation & implementation, environmental scanning, understanding of corporate, competitive functional and operating level strategies, strategy implementation, evaluation and control and also social and ethical responsibilities of corporate management. |
| **Objective/learning outcomes** | 1. Understand meaning of strategy, levels at which strategy operates & strategic management process. 2. Know how to incorporate the claims of stakeholders in strategy formation, implementation evaluation and control. 3. Explain environment factors that affect strategy formation, implementation evaluation & control. 4. Know their responsibilities and ethical requirements in corporate management etc. 5. Have exposure to various strategic management models 6. Obtain skills in the management of corporate and enterprise strategy. 7. Apply theories of strategic management to practice to improve organizational efficiency and effectiveness. 8. Be able to apply a framework of strategic thinking. 9. Generate and assess strategic options under conditions of imperfect knowledge. 10. Select the most appropriate strategy or course of action. 11. Summarize complex strategic analysis or strategies and communicate that information in a format and level that is appropriate for the intended audience. |
| **Course Contents** | **Chapter 1: Over view of Strategic Management**   * 1. Basic Concepts of Strategic Management,   2. Strategic management process,   3. Strategic Management Model   4. Business Ethics and Strategic Management.   **Chapter 2: Business Vision, Mission, Objectives**   * 1. Characteristics of Mission Statement   2. Types of Strategies      1. Integration strategies      2. Intensive strategies      3. Diversification strategies      4. Michael Porter Generic Strategies   **Chapter 3: Strategic formulation**   * 1. Environmental Analysis   2. External and industry analysis   3. Internal analysis   4. Corporate Strategy   5. Functional Strategy and Strategic Choice,   6. Strategic analysis and choice      1. Input stage –      2. Matching stage –      3. decision stage –      4. Cultural aspects of strategy choice.   **Chapter 4**: **Strategic Implementation**   * 1. The nature of strategic implementation      1. resource allocation –      2. Strategy and structure –Creating – Supportive culture   2. Implementing strategies in functional areas.   **Chapter 5: Strategy Evaluation**   * 1. The nature of strategy evaluation   2. Review and Control   3. Characteristics of effective evaluation systems   4. Criteria for strategy control   5. Mechanism for strategic control   **Chapter 6: Social Responsibility and Ethics in Strategic Management**  **Assessment Method**   * Cases and assignments * Seminars * Tests and quizzes * Article Review * Final exam * Other relevant works provided by instructors |
| **Learning &Teaching Methods** | A combination of ***lectures, guided readings, skill based group/individual exercises, and case analysis will be used***. |
| **Media** | *Hand-outs, PPT printouts , selected case readings, , etc.* |
| **References** | 1. Fred R. David, (1997) strategic management, sixth edition, Prentice Hall, New York, 2. MCCarthy, Minichello& Curran Business policy and strategy, concepts and readings; Richard D. Irwin Inc. 3. Thompson, Jr& Strickland III; Strategic management, concepts and cases, Irwin McGraw- Hill. 4. Pearce II& Robinson Jr. Strategic management, strategy formulation and implementation; AITBS Publishers and distributors, Delhi. 5. AzharKazmi; Business policy and Strategic Management Tata McGraw- Hill publishing Co. Ltd. 6. George Luffman, Edward Lea, Stuart Sanseron&Barin Kenny; Strategic management, an analytical introduction; Blackwell Publishers Ltd. 7. FranisCheruilam; Business policy and strategic management; Himalaya publishing Houses. 8. David Asch & Cliff Bowman; Readings in Strategic management; The Macmillan press Lts. 9. Fred R. David Strategy Management Prentice Hall, New Jersey six edition. 10. Wendy Robson strategic Management and information system, Pitman Publishing 1997. 11. Cliff Bowmen and David Asch Managing strategy Macmillan Business 1996. 12. Peers/Robinson, strategic management and any other business policy and Strategy book can be used as a reference   **hapter one**   |  |  | | --- | --- | | **Dire Dawa University**  **College of Business and Economics**  **Post Graduate Program**  **MSc in Finance and Investment** | | | Department of Accounting and Finance/ Banking and Finance | | MSc in Finance and Investment | | MFI 631  The speed of business dynamics demands the business organizations not only to revamp their internal business strategies like effective market expansion, increased customer base, product diversification and innovation etc., but also expects the corporates to devise inorganic business strategies like mergers, acquisitions, takeovers etc., that results in faster pace of growth, effective utilization of resources, fulfillment of increasing expectations of stakeholders. These restructuring strategies work positively for the business both during the time of business prosperity and recession. This lesson would help you in understanding the concept of corporate restructuring, available tools, historical background & emerging trends in restructuring strategies etc., the role of professionals like company secretaries in the process of restructuring right from the strategy development and pre diligence stage till the post integration stage. |   **Chapter one :corporate restructuring**  1.Introduction and Concepts  1.1 Meaning of Corporate Restructuring  1.2 Need, Scope and Modes of Restructuring  1.3 Historical Background  1.4 Emerging Trends  1.5 Planning, Formulation and Execution of Various Corporate Restructuring Strategies  1.6 Mergers, Acquisitions, Takeovers, Disinvestments and Strategic Alliances, Demerger and Hiving off Expanding Role of Professionals  **Chapter two**. Merger and Amalgamation  2.1 Introduction ,Legal, Procedural, Economic, Accounting,  2.2 Taxation and Financial Aspects of Mergers and Amalgamations including Stamp Duty and Allied Matters • Interest of Small Investors ,  2.3 Merger Aspects under Competition Law ,  2.4 Jurisdiction of Courts; Filing of Various Forms  2.5 Amalgamation of Banking Companies and Government Companies  2.6 Cross Border Acquisition and Merger  **Chapter Three :**.**Corporate Demerger and Reverse Merger**  3.1 Concept of Demerger; Modes of Demerger  3.2 by Agreement, under Scheme of Arrangement  3.3 Demerger and Voluntary Winding Up  3.4 Legal and Procedural Aspects; Tax Aspects and Reliefs  3.5. Reverse Mergers – Procedural Aspects and Tax Implications  **Chapter four : Takeover**  41. Meaning and Concept  4.2 Types of Takeovers  4.3 Legal Aspects – SEBI Takeover Regulations  4.4 Disclosure and Open Offer Requirements  4.5 Bail Out Takeovers and Takeover of Sick Units  4.5 Takeover Defences  4.6 Cross Border Takeovers  **Chapter five :Funding of Merger and Takeover**  5.1 Financial Alternatives; Merits and Demerits  5.2 Funding through various Types of Financial Instruments including Equity and Preference Shares, Debentures,  5.3 Securities with Differential Rights, Swaps, Stock Options; ECBs, Funding through Financial Institutions and Banks  5.4 Rehabilitation Finance  5.5 Management Buyouts/Leveraged Buyouts  **Chapter six: Financial Restructuring**  6.1 Reduction of Capital  6.2 Reorganization of Share Capital  6.3 Buy-Back of Shares  6.4 Concept and Necessity  6.5 Procedure for Buy-Back of Shares by Listed and Unlisted Companies  **Chapter seven : Post Merger Reorganization**  7.1 Factors involved in Post Merger Reorganization •  7.2 Integration of Businesses and Operations •  7.3 Assessing Accomplishment of Post Merger Objectives;  7.4 Measuring Post Merger Efficiency  Reference  1. A. Ramaiya : Guide to Companies Act, LexisNexis Butterworths, Wadhwa, Nagpur  2. M.C. Bhandari : Guide to Company Law Procedures, LexisNexis ButterworthsWadhwa Nagpur  3. ICSI : Handbook on Mergers Amalgamations and takeovers.  4. K. R. Sampath : Mergers/Amalgamations, Takeovers, Joint Ventures, LLPs and Corporate Restructure, Snow White Publications  5. S. Ramanujam : Mergers et al, LexisNexis ButterworthsWadhwa Nagpur  6. Ray : Mergers and Acquisitions Strategy, Valuation and Integration, PHI Important Websites  (a) [www.sebi.gov.in](http://www.sebi.gov.in)  (b) [www.rbi.org.in](http://www.rbi.org.in)  (c) [www.finmin.nic.in](http://www.finmin.nic.in)  (d) [www.dipp.nic.in](http://www.dipp.nic.in)  (e) [www.mca.gov.in](http://www.mca.gov.in)  Students are advised to read relevant Bare Acts and Rules and Regulations relating thereto. ‘Student Company Secretary’ e-bulletin and ‘Chartered Secretary’ should also be read regularly for updating the knowledge. |
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