

University of Pretoria Yearbook 2021

Financial management 830 (FBS 830)

Qualification	Postgraduate
Faculty	Faculty of Economic and Management Sciences
Module credits	10.00
NQF Level	09
Programmes	MEng Engineering Management (Coursework) MSc Engineering Management (Coursework)
Service modules	Faculty of Engineering, Built Environment and Information Technology
Prerequisites	No prerequisites.
Contact time	20 contact hours per semester
Language of tuition	Module is presented in English
Department	Financial Management
Period of presentation	Semester 1 and Semester 2

Module content

The aim of this module is to enhance engineering managers' understanding of Financial Management principles and its role in maximising the long term wealth of the shareholders and other stakeholders. Three major decisions are involved: Firstly, capital structure decisions relate to how long-term sources of finance such as debt and equity are combined in an optimal structure for the firm. Secondly, capital budgeting decisions relate to how these sources are optimally invested in for instance infrastructure and manufacturing assets. Thirdly, short-term decisions relate to the use of current assets and current liabilities in the best possible way. Engineering managers need to understand how the results of these three types of decisions are reflected in the financial statements of the firm. Financial principles are important in assessing the financial health of a firm, be it private or public, large or small, profit-seeking or not-for-profit. A thorough understanding of these principles and how they interact from a risk-return perspective is crucial to best serve the strategic goals of the firm.

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