



ACADEMIC SERVICES

MODULE SPECIFICATION

Part 1: Basic Data					
Module Title	Corporate Finance				
Module Code	UMAD5L-15-2	Level	2	Version	2
UWE Credit Rating	15	ECTS Credit Rating	7.5	WBL module?	No
Owning Faculty	FBL	Field	Accounting and Finance		
Department	BBS: Accounting, Economics and Finance	Module Type	Standard		
Contributes towards	BA (Hons) Business Management with Accounting and Finance				
Pre-requisites	One of: Fundamentals of Accounting 2 UMAD4Y-30-1 Understanding Business and Financial Information (UMAD4U-15-1, or UMAD4V-15-1, or UMADDN-15-1)	Co- requisites			
Excluded Combinations		Module Entry requirements			
First CAP Approval Date	23 April 2012	Valid from	September 2014		
Revision CAP Approval Date	15 December 2016	Revised with effect from	September 2018		

Part 2: Learning and Teaching	
Learning Outcomes	<p>On successful completion of this module students will be able to:</p> <ul style="list-style-type: none"> • Explain the fundamental objective of corporate finance and the role of the financial manager and the treasury department. (B) • Critically appraise the purpose of the business, how corporate finance support business operations and the impact of divorcing corporate ownership. (A and B) • Explain the rationale, importance and functions of a well-organised stock market. • Explain the concept of stock market efficiency and critically appraise the implications of research findings for investors and corporate management. (A and B) • Explain the theoretical justification of discounted cash flow techniques based on the concept of the time value of money and the opportunity cost of capital in investment decision making. (A and B) • Describe traditional investment techniques and the extent of their use as part of the overall capital allocation planning process. (A and B) • Using relevant cash flows, undertake discounted cash flow calculations taking taxation, inflation and working capital into account where appropriate • Apply investment appraisal techniques, including payback, discounted payback, accounting rate of return (ARR), net present value (NPV), internal rate of return (IRR) and modified internal rate of return (MIRR);. (A and B);

	<ul style="list-style-type: none"> • assess the importance of mathematical precision and show an appreciation of the relationship between these techniques. (A and B) • identify circumstances giving rise to capital rationing and apply the profitability index in one-period capital rationing situations; (A, B) • apply investment appraisal techniques to deal with replacement and lease/buy decisions; (A, B) • Distinguish between different long-term sources of finance and explain their characteristics, especially in relation to risk and return. (A and B) • Describe, compare and contrast sources of short and medium term finance (A and B) • Understand the concept of shareholder value and describe, explain and use a range of different methods to accurately measure it. (A and B) • Describe the economic theories underlying the development of models used in the area of financial management (dividend policy). (A and B) • Demonstrate an understanding of dividend policy problems. (A and B) <p>In addition, the educational experience may explore, develop, and practise, <u>but not formally discretely assess</u>, the following:</p> <ul style="list-style-type: none"> • Act independently in planning and undertaking tasks, develop own criteria to evaluate performance and seek and make use of feedback. • Work co-operatively in a group, share decision making and negotiate with others.
Syllabus Outline	<ul style="list-style-type: none"> • Theory and practice of corporate finance • Agency theory and related issues • The financial world and financial markets • A brief revision of fundamental elements of finance • Investment appraisal techniques • Investment appraisal including taxation; inflation and working capital • Financial markets and the efficiency argument • Equity financing • Long-term debt financing • Short- to medium-term financing • The impacts of financing decisions upon financial results and ratios • Use of payback, discounted payback, ARR, NPV, IRR, and MIRR for decision making; • Replacement and lease/buy decisions; • Capital rationing • Shareholder value • Distribution of shareholder value: the dividend decision
Contact Hours/Scheduled Hours	3 hours per week (a combination of lectures, tutorials and case study based workshops)
Teaching and Learning Methods	<p>Teaching and learning strategy will involve a combination of lectures, workshops, contribution to online discussion and private study.</p> <p>Lectures will be used to convey core material and engage students in critical thinking over theories and practices in corporate finance.</p> <p>Workshop activities will be structured to encourage student interaction, group work, application of quantitative and technical skills and effective presentation in an academic setting.</p> <p>Tutorials are envisaged to become a forum for student discussion around the theories in corporate finance and apply their analytical skills using mini-case studies.</p> <p>Online discussion boards will allow students to reflect upon and elaborate on corporate finance issues that will be covered in the module. It is envisaged that reference to current financial news will set the backdrop against which the discussion will take place and theories will be sought to be put into practice.</p>

Students will be directed towards the University Library online Study Skills resources for the development of skills appropriate to the level and style of the module. Students will be directed on how the resources on this site should be used to develop the skills that will underpin their studies in the module handbook and/or via Blackboard.

Lecture : 12, Tutorials: 12, Workshops: 12: Hours total: 36

Independent Study includes, but is not necessarily restricted to, engaging in essential reading, workshop preparation, contribution to online discussion, development of academic and generic skills, assignment preparation and completion and examination preparation.
Hours total: 114

Key Information Sets Information

Key Information Sets (KIS) are produced at programme level for all programmes that this module contributes to, which is a requirement set by HESA/HEFCE. KIS are comparable sets of standardised information about undergraduate courses allowing prospective students to compare and contrast between programmes they are interested in applying for.

Key Information Set - Module data				
<i>Number of credits for this module</i>				15
Hours to be allocated	Scheduled learning and teaching study hours	Independent study hours	Placement study hours	Allocated Hours
150	36	114	0	150



The table below indicates as a percentage the total assessment of the module which constitutes a -

Written Exam: Unseen written exam,
Coursework: Group case study project

Please note that this is the total of various types of assessment and will not necessarily reflect the component and module weightings in the Assessment section of this module description:

Total assessment of the module:	
Written exam assessment percentage	70%
Coursework assessment percentage	30%
Practical exam assessment percentage	0%
	100%

Reading Strategy

All students will be encouraged to make full use of the print and electronic resources available to them through membership of the University. These include a range of electronic journals and a wide variety of resources available through websites and information gateways. The University Library web pages provide access to subject relevant resources and services and to the library catalogue. Many of these resources can be accessed remotely. Students will be presented with opportunities within the curriculum to develop their information retrieval and evaluation skills in order to identify such resources effectively.

	<p>Students will be directed and expected to undertake essential reading throughout the module. However, depending upon specific topics addressed over the course of the module, students will be expected to undertake additional reading for themselves. A list of indicative textbooks and relevant journals is provided below but students are expected to recognise that these may be starting points only and that they should extend their reading as widely as is necessary to demonstrate a comprehensive knowledge.</p> <p>Essential reading Students are expected to purchase or have open access to following text as it is considered core to the module:-</p> <p>Arnold, B. (2008) <i>Corporate Financial Management</i>, 4th edition, Harlow: Pearson Education Limited.</p>
Indicative Reading List	<p><i>Further reading:</i></p> <ul style="list-style-type: none"> • Maclaney, E. (2011) <i>Business Finance: Theory and Practice</i>, 9th Edition, Pearson Education Limited. • Megginson, W., Smart, S. and Lucey, B. (2008) <i>Introduction to Corporate Finance</i>, London: Cengage Learning. • Pike, R. and Neale, B. (2009) <i>Corporate Finance and Investment: Decision and Strategies</i>, 6th edition, Harlow: FT Prentice Hall. • Watson, D. and Head, A. (2010) <i>Corporate Finance: Principles and Practice</i>, 5th edition, London: FT Prentice Hall. <p>Students are advised to consult these texts to expand their knowledge in the respective areas of corporate finance covered on the module.</p>

Part 3: Assessment

Assessment Strategy	<p>The assessment will facilitate a holistic and detailed coverage of the module content and allow students to apply corporate finance theory.</p> <p>Component A – Examination Summative assessment consists of a three-hour closed book examination weighted 70%</p> <p>Component B – Group Case Study Project A case study that links most of the syllabus will be given to students at the beginning of the term. Students will work on it by linking it to the workshop questions. Then, students will be asked to produce a business report related to this case study addressing a range of corporate financial issues, which will count towards their final mark (30%).</p>
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Identify final assessment component and element	Component A	
% weighting between components A and B (Standard modules only)	A:	B:
	70%	30%
First Sit		
Component A (controlled conditions) Description of each element	Element weighting (as % of component)	
1. 3 hour exam	100%	
Component B Description of each element	Element weighting (as % of component)	
1. Group project on a case study	100%	

Resit (further attendance at taught classes is not required)

Component A (controlled conditions) Description of each element	Element weighting (as % of component)
1. 3 hour exam	100%
Component B Description of each element	Element weighting (as % of component)
1. Essay question	100%
If a student is permitted a RETAKE of the module the assessment will be that indicated by the Module Description at the time that retake commences.	

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First CAP Approval Date	23/4/12			
Revision CAP Approval Date <i>Update this row each time a change goes to CAP</i>	15 December 2016	Version	2	link to RIA
Revision CAP Approval Date		Version		<i>Link to RIA</i>