



## **Module Specification**

### **Finance and Economics Principles**

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## **Part 1: Information**

**Module title:** Finance and Economics Principles

**Module code:** UMACTA-30-M

**Level:** Level 7

**For implementation from:** 2021-22

**UWE credit rating:** 30

**ECTS credit rating:** 15

**Faculty:** Faculty of Business & Law

**Department:** FBL Dept of Accounting Economics & Finance

**Partner institutions:** None

**Delivery locations:** Banking Academy Vietnam, Frenchay Campus, Villa College

**Field:** Accounting and Finance

**Module type:** Standard

**Pre-requisites:** None

**Excluded combinations:** None

**Co-requisites:** None

**Continuing professional development:** No

**Professional, statutory or regulatory body requirements:** None

## **Part 2: Description**

**Overview:** Not applicable

**Features:** Not applicable

**Educational aims:** The module of Finance & Economics Principles provides the context within which the other modules are then placed; it introduces students to the scope of the wider programme; it emphasises the importance of intra-programme

progression within the student mind-set; and it provides a firm theoretical foundation for many of the more advanced topics which appear later in the programme.

In particular, the module will provide students with the fundamental knowledge of modern finance and corporate finance, economics and foundations of financial reporting and analysis, and equip them with the basic knowledge which will help them in other MSc Finance and Investment modules.

The module will run in three units. The first unit, partly shared with MSc Accounting and Finance students, deals with corporate finance, covering the investing and financing decision of companies and fundamentals of asset pricing. The second unit integrates the knowledge of financial reporting and analysis which will then be developed in Financial Statement Analysis. The third unit equips students with the fundamental knowledge of economics for finance.

**Outline syllabus:** Corporate Finance Unit:

The time value of money, the role of financial manager, agency theory and corporate governance

Investment Appraisal Techniques: NPV/IRR/Payback /Accounting Rate of Return

Investment appraisal: Relevant cash flows, capital rationing, tax, inflation, and risk in capital budgeting

Risk and return – Portfolio Theory

Capital Asset Pricing Model (CAPM)

Treasury and Working capital management: stock (inventories), cash, payables, receivables, and credit management

Short-term and medium-term sources of finance (including lease and its financial reporting)

Debt finance: types and characteristics of different kinds of debt, valuation of debt (bond), and term structure of interest rates

Equity finance: types of equity and their characteristics, stock markets and the valuation of equity (shares)

The cost of capital: cost of different sources of capital, weighted average cost of capital (WACC) and introduction to capital structure

### Financial Reporting and Analysis Unit:

Understanding Balance sheet, Income statement, Statement of cash flow

Accounting principles, Accruals, Year-end Adjustments

Analysis of Equity and Earnings per share

Analysis of Taxes: Income Tax, Deferred Tax

### Economics Unit:

Aggregate Output and Income

Aggregate Supply and Demand

Business Cycles, Unemployment and Inflation

Monetary and Fiscal Policy

Exchange Rates (the ForEx market, Interest Rate Parity, Purchasing Power Parity) and the Balance of Payments

## Part 3: Teaching and learning methods

**Teaching and learning methods:** The weekly scheduled contact is 6 hours. The contact hours will be used for formal lecturing, lectorial and tutorial/seminar work.

Real-life, practical examples will be introduced to help engage the students in financial planning and decision making processes. The emphasis will very much be on why we do things as opposed to simply following the well-trodden routines. Students will be encouraged to approach the issues from a variety of different angles, from a financial management and a financial investment perspective. Students will be encouraged to participate and share any practical experiences so that the class as a whole benefits from the collective experience.

Students will be actively encouraged to make themselves familiar with the library

study skills web pages and in particular to read widely around the subject matter. Active use will be made of Blackboard facilities.

Students will be actively encouraged to study independently in order to gain a deep understanding of the issues covered, as well as recent developments in the theories and practices of financial management. Students, in addition to the scheduled contact hours, should engage with essential reading, case study preparation, assignment preparation and completion etc.

**Module Learning outcomes:**

- MO1** Apply and critically evaluate capital budgeting (investment appraisal) techniques.
- MO2** Apply the risk-return theoretical framework and the CAPM to investment management and capital budgeting.
- MO3** Critically evaluate the merits of alternative sources of finance.
- MO4** Critically apply the fundamentals of asset valuation for shares and bonds.
- MO5** Evaluate the impact of financial reporting on decision making in finance.
- MO6** Apply fundamental economics concepts in finance.
- MO7** Work in teams and make an effective presentation / or write an effective report.

**Hours to be allocated:** 300

**Contact hours:**

Independent study/self-guided study = 228 hours

Face-to-face learning = 72 hours

Total = 300

**Reading list:** The reading list for this module can be accessed at [readinglists.uwe.ac.uk](https://uwe.rl.talis.com/modules/umacta-30-m.html) via the following link <https://uwe.rl.talis.com/modules/umacta-30-m.html>

**Part 4: Assessment**

**Assessment strategy:** There are two components in the module. The first component is an unseen exam (70%). The second component (30%) is a coursework with a group assignment and an individual element. The group assignment will be a comprehensive case study with a group presentation, and the individual element will be a 1,000 word assignment based on the case study. Each form of assessment addresses the learning outcomes; the coursework and case study develop and assess a range of learning outcomes but with particular emphasis on transferable skills, the group presentation and individual report focuses on developing students' teamwork, understanding and critical thinking skills, while the examination emphasizes, in particular, the cognitive and subject specific skills.

Non-assessed formative feedback will be provided on group work activities and individual practical problems, and in general throughout the whole module.

The assessment criteria for the coursework assignment (and how they relate to the stated learning outcomes) will be communicated to students when they are notified of the topic.

**Assessment components:**

**Examination (Online) - Component A (First Sit)**

Description: 2-hour exam in a 3-hour window

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO2, MO3, MO4, MO5, MO6

**Presentation - Component B (First Sit)**

Description: Group work presentation

Weighting: 21 %

Final assessment: No

Group work: Yes

Learning outcomes tested: MO1, MO7

**Report - Component B (First Sit)**

Description: 1,000 word individual report based on the case study for presentation.

Weighting: 9 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO3

**Examination (Online) - Component A (Resit)**

Description: unseen exam

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO2, MO3, MO4, MO5, MO6

**Written Assignment - Component B (Resit)**

Description: Individual coursework assignment based on the groupwork case study (1,500 words)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO3, MO7

**Part 5: Contributes towards**

This module contributes towards the following programmes of study:

Finance and Investment [Sep][PT][Frenchay][3yrs] MSc 2021-22

Finance and Investment [Sep][FT][Frenchay][1yr] MSc 2021-22

Finance [Sep][FT][BAV][1yr] MSc 2021-22