



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: 2023-24

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: Module

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: On successful completion of this module students will achieve the following 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 Demonstrate team working and presentation skills

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: The assessment strategy is made of two tasks: the first task is a group assignment on a case study with a presentation (30%), the second task is an unseen exam (70%). The group assignment will be a comprehensive case study with a group presentation. Each form of assessment addresses the learning outcomes; the case study develops and assess a range of learning outcomes but with particular emphasis on transferable skills with focus on developing students' teamwork, understanding and critical thinking skills, while the examination emphasizes, in particular, the cognitive and subject specific skills.

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:

Presentation (First Sit)

Description: Group presentation based on case study - 15 mins . In class.

Weighting: 30 %

Final assessment: No

Group work: Yes

Learning outcomes tested: MO1, MO7

Examination (Online) (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 (Resit)

Description: Individual presentation based on a case study to include a reflection on groupwork skills (7 mins) . Submitted as a recording.

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO7

Examination (Online) (Resit)

Description: unseen exam 2 hours in a 3 hour window

Weighting: 70 %

Final assessment: Yes

Group work: No

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

Part 5: Contributes towards

This module contributes towards the following programmes of study: