



## MODULE SPECIFICATION

Part 1: Information			
Module Title	Fundamentals of Finance		
Module Code	UMACTA-30-M	Level	Level 7
For implementation from	2020-21		
UWE Credit Rating	30	ECTS Credit Rating	15
Faculty	Faculty of Business & Law	Field	Accounting and Finance
Department	FBL Dept of Accounting Economics & Finance		
Module Type:	Standard		
Pre-requisites	None		
Excluded Combinations	None		
Co-requisites	None		
Module Entry Requirements	None		
PSRB Requirements	None		

Part 2: Description
<p><b>Educational Aims:</b> The module Fundamentals of Finance 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.</p> <p>In particular, the module will provide students with the basic background and knowledge of modern finance and corporate finance and equip them with the basic knowledge which will help them in other MSc Finance modules.</p> <p>The module will run in two parts. The first part is common to the MSc Accounting and Finance students and deals with financial management for decision makers, covering the investing and financing decision of companies. The second part lays the foundations of modern finance and corporate finance. The topics dealt with in the second part will be expanded in other modules within the programme.</p> <p><b>Outline Syllabus:</b> Financial Management for decision makers (shared part with MSc Accounting and Financial Management) part A:</p> <p>The role of the financial manager, agency theory, and time value of money.</p>

## STUDENT AND ACADEMIC SERVICES

Financial markets and institutions.

Investment appraisal: NPV/IRR/Payback/Accounting Rate of Return.

Investment appraisal: Relevant cash flows, tax and risk in investment appraisal.

Working capital management: stock (inventory), cash and credit management.

Cash flow forecasts and introduction to budget.

Sources of Finance: Debt, equity, retained earnings, short-term and long-term finance.

Cost of equity, valuation of debt (bonds) and WACC.

WACC and introduction to capital structure.

Fundamentals of modern finance theory and corporate finance part (only for MSc Finance) part B:

Financial statements: an introduction to income statement, balance sheet and cash flow statement.

Accounting issues: accruals, income tax and deferred tax, basic and diluted earnings per share.

Portfolio Theory.

Introduction to Asset Pricing: the CAPM.

Macroeconomics and finance: interest rates and exchange rates

A primer on mergers and acquisitions and an overview of the methods of valuation of companies.

International Finance: exchange rates, purchasing power parity and interest rate parity.

International Finance: Forward and Money Market Hedge to hedge currency risk.

Capital structure theories: Debt policy.

The dividend decision: an introduction to dividend policy (Time permitting).

**Teaching and Learning Methods:** The weekly scheduled contact is 6 hours. The contact hours will be used for formal lecturing 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 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.

## STUDENT AND ACADEMIC SERVICES

Part 3: Assessment			
<p>There are two components in the module. The first component is a 24-hour online exam (75%). The second component is a coursework (group assignment based on a case study) with a written report of 2,500 words (25%). The group assignment will be a comprehensive case study with a group report. Each form of assessment addresses the learning outcomes; the coursework develops and assesses a range of learning outcomes but with particular emphasis on transferable skills and critical thinking skills, while the examination emphasizes, in particular, the cognitive and subject specific skills.</p> <p>Non-assessed formative feedback will be provided on group work activities and individual practical problems.</p> <p>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.</p>			
First Sit Components	Final Assessment	Element weighting	Description
Examination (Online) - Component A	✓	75 %	24-hour online assessment
Case Study - Component B		25 %	Group work written report based on a case study (2,500 words)
Resit Components	Final Assessment	Element weighting	Description
Examination (Online) - Component A	✓	75 %	24-hour online assessment
Written Assignment - Component B		25 %	Individual coursework assignment based on case study (2,000 words)

Part 4: Teaching and Learning Methods		
Learning Outcomes	On successful completion of this module students will achieve the following learning outcomes:	
	<b>Module Learning Outcomes</b>	<b>Reference</b>
	Understand the key tools of corporate financial management.	MO1
	Apply a range of business planning, forecast, evaluation and control tools to real-world situations.	MO2
	Grasp the risk-return theoretical framework and its application to portfolio management.	MO3
	Appreciate the international and corporate governance context of financial management.	MO4
	Engage in sensitivity, scenario and forecast analyses using computer spreadsheets.	MO5
	Evaluate the appropriateness of an organisation's control and performance measurement systems, apply basic management accounting techniques to aid in the financial management and make recommendations for improvement.	MO6
	Exhibit an understanding of the fundamentals of asset valuation for key asset classes.	MO7
	Critically evaluate the merits of alternative sources of finance.	MO8
	Debate the competing theories of corporate finance.	MO9
Contact Hours	<b>Independent Study Hours:</b>	

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	Independent study/self-guided study	228
	<b>Total Independent Study Hours:</b>	228
	<b>Scheduled Learning and Teaching Hours:</b>	
	Face-to-face learning	72
	<b>Total Scheduled Learning and Teaching Hours:</b>	72
	<b>Hours to be allocated</b>	300
	<b>Allocated Hours</b>	300
Reading List	<p><i>The reading list for this module can be accessed via the following link:</i></p> <p><a href="https://uwe.rl.talis.com/modules/umacta-30-m.html">https://uwe.rl.talis.com/modules/umacta-30-m.html</a></p>	

<b>Part 5: Contributes Towards</b>	
<p>This module contributes towards the following programmes of study:</p> <p>Finance [Sep][FT][Frenchay][1yr] MSc 2020-21</p> <p>Finance [Sep][FT][BAV][1yr] MSc 2020-21</p> <p>Finance [Sep][PT][Frenchay][3yrs] MSc 2020-21</p>	