



MODULE SPECIFICATION

Code: UMACTF-15-M

Title: Corporate Financial Strategy

Version: 1

Level: M

UWE credit rating: 15

ECTS credit rating: 7.5

Module type: Standard

Owning Faculty: FBL

Field: Accounting and Finance

Valid from: 1 September 2008

Discontinued from:

Contributes towards: MSc Financial Management; MSc Accounting and Financial Management; MSc Finance,

Pre-requisites: None

Co-requisites: None

Excluded combinations: None

Aim of module

- The aim of the module is to explore the theoretical framework of corporate finance, that is, the understanding of finance from the perspective of the firm
- The module enables students to review and discuss a range of problems within the area of corporate finance
- The module provides students with a range of strategic tools and approaches to problems and opportunities in the real-world corporate finance arena

Learning outcomes

On successful completion of this module students will be able to:

- Appreciate the corporate objectives of the firm and the relationship of the firm with its various stakeholders (Components A and B)
- Understand the theoretical underpinning of corporate finance (Components A and B)
- Review a wide range of competing theories underlying corporate finance phenomena and be able to synthesise them (Components A and B)
- Evaluate the theoretical and practical innovations in key corporate financial policy areas (Components A and B)
- Collect and analyse data on real world corporate finance problems (Component B)
- Understand strategies for dealing with complex corporate finance threats and opportunities (Components A and B)
- Apply a range of competing tools and approaches within a strategic financial context (Components A and B)

In addition the educational experience may explore, develop, and practise but not formally discretely assess the following:

- Analysing financial problems using a computer spreadsheet

Syllabus outline

- Stakeholder theory and corporate objectives
- Agency theory
- The Efficient Market Hypothesis
- The cost of capital

- The Capital Asset Pricing Model and its extensions
- Capital structure policy
- Corporate financing strategy
- Financial distress prediction
- Dividend policy
- Capital investment strategy
- Real and financial options
- Corporate restructuring
- Multinational financial management
- Corporate governance

Teaching and learning methods

The aim of the module is to explore the theoretical framework of corporate finance, that is, the understanding of finance from the perspective of the firm. This involves an appreciation of the key theories and debates, evaluation of the empirical testing of those theories, and the development of strategies for the firm in the light of theoretical and real-world considerations. Real-life, practical examples will be introduced to appreciate the key corporate finance decisions faced by the firm.

Delivery of this module will be through a variety of methods including formal lectures, seminar discussions, group work and case studies. Students will be encouraged to keep themselves informed of the corporate financial environment through regular reading of the *Financial Times* and other journals. Students will be encouraged to bring in up to date material which will form the basis for discussions in seminars. Lectures will be underpinned with hand-outs for all the material covered. 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 the Blackboard facilities.

Reading Strategy:

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 web sites and information gateways. The University Library's web pages provide access to subject relevant resources and services, and to the library catalogue. Many 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.

Students will be expected to utilise a range of reading and other materials to undertake further independent research to extend their familiarity and appreciation of the subject and to help them prepare for the in-course assessment and examination in this module. To this end, extensive use will be made of Blackboard, additionally, students will also be encouraged to utilise the study skills web pages

The core text will be Brealey, R A, Myers, S C, and Allen, F A, 2006, "*Principles of Corporate Finance*", (8th Edition), McGraw Hill. Subject to confirmation in Module handbook. Students will be expected to purchase the core text.

The textbook will be supplemented from time to time with specific references to articles in academic and professional journals such as the *European Journal of Finance*, the *Journal of Finance*, the *Journal of Corporate Finance*, *Financial Management*, the *Journal of Empirical Finance*, and so on. The journals are available in the library and students should source appropriately.

Indicative sources:

Brealey, R A, Myers, S C, and Allen, F A, 2006, "*Principles of Corporate Finance*", (8th Edition), McGraw Hill.

Hickman, K A, Hunter, H O, and Byrd, J W, 2002, "*Foundations of Corporate Finance*", (2nd Edition), South-Western.

Pike, R H and Neale, C W, 2003, "*Corporate Finance and Investment*", (4th Edition), Prentice Hall.
Vernimmen, P, 2005, "*Corporate Finance Theory and Practice*", (1st Edition), Wiley.

Assessment

- The module will be assessed by means of an unseen written exam (70%) and a written coursework assessment (30%). Both forms of assessment address the knowledge and understanding learning outcomes; the coursework develops and assesses a range of learning outcomes but with particular emphasis on the transferable skills, while the examination emphasizes, in particular, the cognitive and subject specific skills.
- Non-assessed formative feedback will be provided on group work assignments and individual practical problems that students will be expected to attempt most weeks.
- 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. The criteria for assessment of the examination scripts will be documented and agreed with the External Examiner.

Percentage split

Weighting between components A (controlled component) and B

A: 70% B:30%

ATTEMPT 1

First Assessment Opportunity

Component A

Description of each element

1 Written exam (2 hours)

Element weighting

100%

Component B

Description of each element

1 Coursework individual assignment (1,500 words)

Element weighting

100%

Second Assessment Opportunity (further attendance at taught classes is not required)

Component A

Description of each element

1 Written exam (2 hours)

Element weighting

100%

Component B

Description of each element

1 Coursework individual assignment (1,500 words)

Element weighting

100%

ATTEMPT 2 (OR SUBSEQUENT): Attendance at taught classes is required