

**CORPORATE AND ACADEMIC SERVICES**

**MODULE SPECIFICATION**

Part 1: Basic Data					
Module Title	Financial Management				
Module Code	UMADFR-15-3	Level	3	Version	1
Owning Faculty	FBL	Field	Accounting and Finance		
Contributes towards	BA(Hons) Accounting & Finance				
UWE Credit Rating	15	ECTS Credit Rating	7.5	Module Type	Standard
Pre-requisites	Corporate Finance UMAD5L-15-2	Co- requisites	none		
Excluded Combinations	none	Module Entry requirements	none		
Valid From	September 2014	Valid to			

<b>CAP Approval Date</b>	13/2/14
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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"> <li>• calculate the costs of equity, debt and preference share capital, and calculate the weighted average cost of capital for the firm; (A,B)</li> <li>• describe the impact of the divorce of corporate ownership from day-to-day managerial control particularly for the capital structure decision; (A,B)</li> <li>• explain the relevance of important influences on the optimal gearing level decision and describe the underlying assumptions, rationale and conclusions of the M&amp;M models; (A,B)</li> <li>• demonstrate a critical awareness of the problems of incorporating risk into financial decision making; (A,B)</li> <li>• present a more realistic and rounded view of a project's prospects by incorporating risk in an appraisal; (A,B)</li> <li>• present a sensitivity graph and undertake scenarios analysis; (A,B)</li> <li>• explain the interactions between investments and risk-reducing properties of portfolios; (A,B)</li> <li>• identify efficient portfolios and then apply utility theory to obtain an optimum portfolio; (A,B)</li> <li>• explain the key characteristics of the capital asset pricing model and arbitrage pricing theory; (A,B)</li> <li>• critically assess the principal determinants of share prices and calculate intrinsic share values using a variety of approaches including DVM, P/E and NAV; (A,B)</li> <li>• critically examine the nature, process and reasons for mergers; (A,B)</li> <li>• calculate merger synergies and allocate synergies between interested parties; (A,B)</li> <li>• explain the nature of derivatives and demonstrate their application in a wide</li> </ul>

	<p>variety of areas; (A,B)</p> <ul style="list-style-type: none"> <li>• calculate hedging and speculative gains on forwards, futures, options, swaps and other derivatives; (A,B)</li> <li>• critically evaluate the financial management strategies of business enterprises and financial management decisions in their strategic context; (A,B)</li> <li>• apply appropriate knowledge, analytical techniques and concepts to problems and issues arising from both familiar (routine) and unfamiliar (novel) situations, identify appropriate techniques in complex situations; (A,B)</li> <li>• think critically, examining problems and issues from a number of perspectives, challenging viewpoints, ideas and concepts, and making well-reasoned judgements; (A,B)</li> </ul>																																	
Syllabus Outline	<p>In outline, students should be able to:</p> <ul style="list-style-type: none"> <li>• calculate a firm's weighted average cost of capital and assess the impact of changes in capital structure;</li> <li>• allow for risk in project appraisal;</li> <li>• value shares in merger and takeover situations;</li> <li>• use derivatives to hedge against price risk.</li> </ul>																																	
Contact Hours	Contact will be 3 hours per week based on a combination of Lectures and Tutorials.																																	
Teaching and Learning Methods	<p>Significant formal contact between lecturer and students will be achieved through lectures and tutorials each week. The lectures will introduce new material and students will be expected to attempt appropriate practice examples on blackboard . In tutorials supplementary examples will be reviewed and individual student problems will be addressed.</p> <p>Students will also be expected to regularly record their attempts at exam standard questions in an assessed Portfolio</p> <p>Lectures and tutorials = 12 weeks x 3 hours = 36 hours  Independent study (essential reading and tutorial preparation) = 116 hours  Total hours = 150</p>																																	
Key Information Sets Information	<p><b>Key Information Set - Module data</b></p> <table border="1"> <tr> <td colspan="5"><i>Number of credits for this module</i></td> <td>15</td> </tr> <tr> <th>Hours to be allocated</th> <th>Scheduled learning and teaching study hours</th> <th>Independent study hours</th> <th>Placement study hours</th> <th>Allocated Hours</th> <th></th> </tr> <tr> <td>150</td> <td>36</td> <td>114</td> <td>0</td> <td>150</td> <td></td> </tr> </table> <p>The table below indicates as a percentage the total assessment of the module which constitutes a -</p> <p><b>Written Exam:</b> Unseen written exam,  <b>Coursework:</b> Portfolio</p> <table border="1"> <tr> <td colspan="2">Total assessment of the module:</td> <td></td> </tr> <tr> <td>Written exam assessment percentage</td> <td></td> <td>80%</td> </tr> <tr> <td>Coursework assessment percentage</td> <td></td> <td>20%</td> </tr> <tr> <td>Practical exam assessment percentage</td> <td></td> <td>0%</td> </tr> <tr> <td></td> <td></td> <td>100%</td> </tr> </table>	<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		Total assessment of the module:			Written exam assessment percentage		80%	Coursework assessment percentage		20%	Practical exam assessment percentage		0%			100%
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Reading Strategy	<p>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 web sites and information gateways. The University Library web pages provide access to subject relevant resources and services and to the library catalogue. Many resources can be accessed remotely.</p> <p><b>Essential reading</b> Arnold (2013) <b>Corporate Financial Management</b> (edition 5, FT Prentice Hall)</p>
Indicative Reading List	<p>Brealey and Myers (2006, 8<sup>th</sup> ed) <i>Principles of Corporate Finance</i> - useful for those students wanting more detail than the core text. McLaney (2006, 7<sup>th</sup> ed) <i>Business Finance Theory and Practice</i> – useful for a more basic coverage of topics than Arnold. Wilmott (1998) <i>Derivatives</i> - useful for those students wanting more detail in this area.</p> <p><b>Useful websites</b> Textbook website. Includes multiple choice questions and links: <a href="http://www.pearsoned.co.uk/arnold">www.pearsoned.co.uk/arnold</a> (follow companion website link).</p> <p>Private investing - <a href="http://www.motleyfool.co.uk">http://www.motleyfool.co.uk</a> Futures Trading - <a href="http://www.liffe.com/liffeinvestor/">http://www.liffe.com/liffeinvestor/</a> Jargon busting - <a href="http://www.investopedia.com/categories/buzzwords.asp">http://www.investopedia.com/categories/buzzwords.asp</a> Shareholder Value - <a href="http://valuereporting2.pwcglobal.com/pwcvr/Index1024.jsp">http://valuereporting2.pwcglobal.com/pwcvr/Index1024.jsp</a></p>

### Part 3: Assessment

Assessment Strategy	<p><b>Component A:</b> Closed Book Examination 2.5 hours</p> <p><b>Component B:</b> Portfolio of exam standard questions, completed across the semester.</p>
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Identify final assessment component and element	Component A	
	A:	B:
% weighting between components A and B (Standard modules only)	80%	20%
<b>First Sit</b>		
<b>Component A</b> (controlled conditions) <b>Description of each element</b>	<b>Element weighting</b> (as % of component)	
1. 2.5 hour closed book exam	100%	
<b>Component B</b> <b>Description of each element</b>	<b>Element weighting</b> (as % of component)	
1. Question Portfolio	100%	

Resit (further attendance at taught classes is not required)		
<b>Component A</b> (controlled conditions) <b>Description of each element</b>	<b>Element weighting</b> (as % of component)	
1. 2.5 hour closed book exam	100%	
<b>Component B</b> <b>Description of each element</b>	<b>Element weighting</b> (as % of component)	
1. Resubmission of portfolio including 500 max words reflection on reasons for failing portfolio at first attempt	100%	
If a student is permitted an <b>EXCEPTIONAL RETAKE</b> of the module the assessment will be that indicated by the Module Description at the time that retake commences.		