



MODULE SPECIFICATION

Part 1: Information			
Module Title	Financial Management		
Module Code	UMADFR-15-3	Level	3
For implementation from	September 2021		
UWE Credit Rating	15	ECTS Credit Rating	7.5
Faculty	Business and Law	Field	Accounting and Finance
Department	Accounting Economics and Finance		
Contributes towards	BSc (Hons) Accounting BA (Hons) Accounting and Finance BA (Hons) Accounting and Management		
Module type:	Standard		
Pre-requisites	Corporate Finance UMAD5L-15-2		
Excluded Combinations	None		
Co- requisites	None		
Module Entry requirements	N/A		

Part 2: Description	
<p>This module examines further topics in the financial management of a company. You will learn how the cost of capital of a company is calculated, how it is used in decision making and how changes in the capital structure will affect the cost of capital, the concept of risk will be introduced to project appraisal techniques already covered at level 2, the various valuation methods applied in the valuation of shares of a company, the methods used when hedging against the financial risks faced by the companies and evaluation of these alternative hedging tools.</p> <p>In this module you will:</p> <ul style="list-style-type: none"> • calculate the costs of equity, debt and preference share capital, and calculate the weighted average cost of capital for a company; • explain the relevance of important influences on optimal gearing level decision (including the impact of the divorce of corporate ownership from day-to-day managerial control) and describe the underlying assumptions, rationale and conclusions of the M&M models; • demonstrate a critical awareness of the problems of incorporating risk into financial decision making; • present a more realistic and rounded view of a project's prospects by incorporating risk in an appraisal; • undertake sensitivity analysis and explain scenario analysis; • explain the interactions between investments and risk-reducing properties of portfolios; • identify efficient portfolios and then apply utility theory to obtain an optimum portfolio; • explain the key characteristics of the capital asset pricing model, its weaknesses and the alternative models available; • critically assess the principal determinants of share values and calculate share values using a variety of 	

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approaches including DVM, P/E, NAV and PV cash flows;

- critically examine the nature, process and reasons for mergers;
- calculate merger synergies and allocate synergies between interested parties;
- explain the nature of derivatives and demonstrate their application in a wide variety of areas;
- use forwards, futures, options, swaps and other methods to hedge price risk;

During the module you will 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. You will also think critically, examining problems and issues from a number of perspectives, challenging viewpoints, ideas and concepts, and making well-reasoned judgements;

Scheduled Learning:

36 contact hours including a blend of weekly lectures, lectorials and tutorials.

The lectures will typically introduce topics and comprise delivery of concepts, the lectorials will demonstrate the concepts by illustration and the tutorials will provide students with the opportunity, both individually and through team-working, to obtain feedback on technical aspects of their work, to discuss and explore conceptual and professional judgement issues and to develop their business awareness.

Independent Learning

Students will be encouraged to reflect on their learning and assess their progress by working through homework questions and portfolio questions. Students have access to the module's Blackboard site which provides module information, lecture, portfolio and tutorial solutions, assessment information, and links to past examinations. Timetabled PAL support will also be available. Students will be directed towards the University Library online Study Skills resources for the development of skills appropriate to the level and style of the module. Students will be directed on how the resources on this site should be used to develop the skills that will underpin their studies in the module handbook and/or via Blackboard.

Part 3: Assessment

Assessment Strategy:

The examination will allow students to demonstrate their capacity to apply their financial management knowledge and skills to solving practical business problems under pressure.

The portfolio allows students to develop their understanding of financial management throughout the module and provides opportunities for formative self-assessment. Students are required to answer a number of practical mini-case questions at regular intervals throughout the module. Questions include written and computational elements so test students understanding of the application of financial management and not merely the techniques.

Formative feedback is provided regularly throughout the module delivery allowing both students and staff to identify areas which might require further revision to build understanding.

Component A: 80% of the assessment is by an examination lasting 2.5 hours

Component B: 20% of the assessment is a portfolio of work built up over the course of the module.

Identify final timetabled piece of assessment (component and element)	Component A	
% weighting between components A and B (Standard modules only)	A: 80%	B: 20%
First Sit		
Component A (controlled conditions) Description of each element	Element weighting (as % of component)	
1. 2.5 hour examination	100%	
Component B Description of each element	Element weighting (as % of component)	
1. Portfolio of work built up throughout the semester	100%	

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Resit (further attendance at taught classes is not required)																										
Component A (controlled conditions) Description of each element	Element weighting (as % of component)																									
1. 2.5 hour examination	100%																									
Component B Description of each element	Element weighting (as % of component)																									
1. Portfolio of work including a 500 word reflection	100%																									
Part 4: Teaching and Learning Methods																										
Learning Outcomes	<p>On successful completion of this module students will be able to:</p> <ul style="list-style-type: none"> • Calculate, and evaluate the use of, a company's weighted average cost of capital (WACC) and critically evaluate the impact of its capital structure on that WACC (A,B); • Calculate appropriate measures of risk and evaluate the impact of risk when appraising projects (A,B); • Critically assess the determinants of share values and calculate values in a variety of circumstances (A,B); • Use derivatives to hedge against price risk and evaluate the most suitable hedges under various circumstances (A,B). • Think critically, examining problems and issues from a number of perspectives, challenging viewpoints, ideas and concepts, and making well-reasoned judgements (A, B) 																									
Key Information Sets Information (KIS)	<table border="1"> <thead> <tr> <th colspan="5"><u>Key Information Set - Module data</u></th> </tr> </thead> <tbody> <tr> <td colspan="5"><i>Number of credits for this module</i></td> </tr> <tr> <td colspan="4"></td> <td style="border: 2px solid black;">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> </tr> <tr> <td>150</td> <td>36</td> <td>114</td> <td>0</td> <td>150</td> </tr> </tbody> </table>	<u>Key Information Set - Module data</u>					<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
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Total Assessment	<p>The table below indicates as a percentage the total assessment of the module which constitutes a;</p> <p>Written Exam: Unseen or open book written exam Coursework: Written assignment or essay, report, dissertation, portfolio, project or in class test Practical Exam: Oral Assessment and/or presentation, practical skills assessment, practical exam (i.e. an exam determining mastery of a technique)</p> <table border="1"> <thead> <tr> <th colspan="2">Total assessment of the module:</th> </tr> </thead> <tbody> <tr> <td>Written exam assessment percentage</td> <td>80%</td> </tr> <tr> <td>Coursework assessment percentage</td> <td>20%</td> </tr> <tr> <td>Practical exam assessment percentage</td> <td>0%</td> </tr> <tr> <td colspan="2" style="text-align: right;">100%</td> </tr> </tbody> </table>	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 List	https://uwe.rl.talis.com/lists/B5E7E918-C24F-F8AF-CD73-106CB5B3CB06.html																									

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First CAP Approval Date	CAP 13 February 2014			
Revision ASQC Approval Date <i>Update this row each time a change goes to ASQC</i>	10 July 2018	Version	2	link to UCP Business Case