

COURSE SPECIFICATION DOCUMENT

Academic School / Department:	Richmond Business School
Programme:	Accounting and Finance Business Management: International Business Business Management: Data Analytics
FHEQ Level:	6
Course Title:	Financial Management
Course Code:	FNN 6106
Total Hours:	160
Timetabled Hours:	45
Guided Learning Hours:	15
Independent Learning Hours:	100
Credits:	16 UK CATS credits 8 ECTS credits 4 US credits

Course Description:

The course aims to develop the knowledge and skills expected of a finance manager concerning financing, dividend policy and investment decisions. The Financial Management course aims to equip students with the skills expected from a finance manager responsible for the finance department of a business organisation.

Prerequisites:

ACC 5200 Advanced Managerial Accounting or FNN 5200 Corporate Finance

Aims and Objectives:

The course introduces the role and purpose of financial management within a business organisation. The Financial Management course highlights the importance of the three fundamental financial management decisions: financing, dividend policy and investment. It explores the economic environment within which these financial management decisions are made.

The course covers working capital management and the appraisal of long-term investments in detail.

The course examines the various sources of funding options for business organisations. Funding decisions include internal as well as external funding sources. The course considers the cost of capital on the type of capital selected for a business organisation. The principles underlying the valuation of a business and financial assets are also covered. The course then examines risk and the main techniques employed in managing such risk.

Programme Outcomes:

Accounting and Finance: A1, A2, A3, A4, A5, B1, B2, C1, C2, D1, D2

Business Management (International Business; Data Analytics): A1, A2, A3, A4, B1, B2, C1, C2, D2,

A detailed list of the programme outcomes are found in the Programme Specification.

This is located at the archive maintained by the Registry and found at:

<https://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

By the end of this course, successful students should be able to:

Knowledge and Understanding

- Explain the role and purpose of financial management in a business
- Assess the influence of the economic environment on financial decisions
- Apply working capital management strategies to improve profitability and control risks
- Appraise investment options
- Evaluate sources of business finance
- Apply principles of business and asset valuations
- Apply risk management strategies in a business

Cognitive Skills

- Analyse financial problems and evaluate available options
- Apply numeracy and quantitative skills, including data analysis, interpretation, and extrapolation.
- Critically reflect on financial information.

Practical and/or Professional Skills

- Identify the responsibilities for a finance manager
- Confidence with financial information derived from financial statements and financial press.
- Ability to make reasonable financial decisions for a business

Key Skills

- Use judgement to identify the important issues and make appropriate recommendations.
- Apply analytical and problem-solving skills to a situation.
- Demonstrate written, numerical and oral communication skills to present information clearly and logically.

Indicative Content:

- **Financial management function**
 - The role and purpose of the financial management function
 - Stakeholders and their objectives
 - Measuring achievement of objectives
 - Financial managements and not-for-profit organisations
- **Financial management environment**
 - Macroeconomic policy
 - Financial intermediaries and markets
 - Rates of interest
- **Working capital management**
 - Liquidity ratios
 - Managing inventories, accounts receivables and accounts payables
 - Working capital finance
- **Investment appraisal**
 - Payback period
 - NPV
 - IRR
 - Allowing for inflation and taxation
 - Risk and uncertainty
 - Sensitivity analysis
 - Probability analysis
 - Asset replacement
 - Capital rationing
 - Return on capital employed
- **Business finance**
 - Short-term sources of finance
 - Debt finance
 - Venture capital
 - Equity finance
 - Islamic finance
 - Dividend policy
 - The cost of capital
 - Dividend growth model

- CAPM
- Cost of debt
- WACC
- Gearing
- **Business valuations**
 - Asset valuation
 - Income-based valuation
 - Cash flow valuation
 - Efficient market hypothesis
 - Valuation of shares
- **Risk management**
 - Foreign currency risk
 - Interest rate risk
 - Risk management

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board and located at: <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology:

Teaching will be a combination of lectures and class exercises. Lectures will be designed to cover the fundamental issues and build upon the recommended chapters from the main textbook and additional recommended readings.

Indicative Text(s):

BPP, 2021, *ACCA Financial Management: Study Text*,

Higgins, Robert C. (2018) *Analysis for Financial Management*. 12th edition. London: McGraw-Hill.

Arnold, G., Lewis, G. (2018) *Corporate Financial Management*, 6th edition, London: Pearson.

Brealey, R. A, Myers, S. C. , Allen F. (2019), *Principles of Corporate Finance*. 13th Edition. London: McGraw-Hill.

Journals

Journal of International Financial Management & Accounting
Financial Management (Journal)

Web Sites

ACCA (www.accaglobal.com)

Bloomberg (www.bloomberg.com)

The Financial Times (www.ft.com)

The Economist (www.economist.com)

The Wall Street Journal (www.wsj.com)

The World Bank (www.worldbank.org)

EDGAR database (www.sec.gov)

See syllabus for complete reading list

Change Log for this CSD:

Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Registry Services
Various updates as part of the UG programme review	AB JAN 2022	
Changed wording to avoid plagiarising ACCA	Dec 2022	
Revision – annual update	May 2023	
Total Hours Updated	April 2024	