

COURSE SPECIFICATION DOCUMENT

Academic School / Department:	Richmond Business School
Programme:	Accounting and Finance
FHEQ Level:	5
Course Title:	Financial Decision Making
Course Code:	ACCT 5102
Total Hours:	160 (Lev 3-5) (4 US Credit)
Timetabled Hours:	45
Guided Learning Hours:	15
Independent Learning Hours:	100
Credit	16 UK CATS credits 8 ECTS credits 4 US credits

Course Description:

The course introduces the role and purpose of financial management within a business organisation. The Financial Decision Making 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 funding options for business organisations. Funding decisions include internal and external funding sources. The course considers the cost of capital and 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.

Prerequisites:

ACCT 4101 Managerial Accounting AND 40 Credits.

Aims and Objectives:

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.

Programme Outcomes:

Course Learning Outcome	Key Programme Outcome
1. Critically assess the role and purpose of the financial management function, including its relevance in achieving organisational objectives within various business environments.	A 5 (i) (ii)
2. Demonstrate the ability to apply working capital management techniques and conduct effective investment appraisals to support strategic decision-making in financial management.	B 5 (i) (ii)
3. Identify, evaluate, and critically discuss alternative sources of business finance, apply business and asset valuation principles, and implement risk management techniques within a business context.	C 5 (i)
4. Demonstrate employability skills, including using technology in financial management, by solving complex financial problems and making informed decisions in real-world scenarios.	D 5 (i)

A detailed list of the programme outcomes are found in the Programme Specification. This is located at the archive maintained by 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:

1. Critically assess the role and purpose of the financial management function, including its relevance in achieving organisational objectives within various business environments.
2. Demonstrate the ability to apply working capital management techniques and conduct effective investment appraisals to support strategic decision-making in financial management.
3. Identify, evaluate, and critically discuss alternative sources of business finance, apply business and asset valuation principles, and implement risk management techniques within a business context.
4. Demonstrate employability skills, including using technology in financial management, by solving complex financial problems and making informed decisions in real-world scenarios.

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
- Islamic finance
- Finance for SMEs
- 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
 - Foreign currency risk
 - Interest rate risk

Assessment:

Student performance on midterm and final exams will make up the final grade based on the following weightings:

Midterm exam (one hour)	40%
Final exam (two hours)	60%

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

Teaching Methodology:

This course will be delivered face to face through a combination of lectures and interactive sessions. In addition to classroom activities, there are guided learning elements that are tutor led and arranged through Blackboard. These activities can be asynchronous online sessions, flipped classrooms, set readings with discussion boards or set guest lectures for example. Set activities are monitored by the instructor to ascertain student engagement. Students are encouraged to prepare for class and to play an active part, to raise questions, following-up ideas and interact with a wide range of provided material.

Indicative Text(s):

Arnold, G. and Lewis, G. (2019) *Corporate Financial Management*. 6th edn. London: Pearson.

BPP Learning Media (2024) *ACCA Financial Management: Coursebook*. London: BPP Learning Media.

Brealey, R.A., Myers, S.C. and Allen, F. (2022) *Principles of Corporate Finance*. 14th edn. London: McGraw-Hill.

Higgins, R.C., Koski, J.L. and Mitton, T. (2022) *Analysis for financial management*. 13th edn, international student edition. New York: McGraw Hill.

Journals

Journal of International Financial Management & Accounting

Financial Management (Journal)

Websites

Association of Chartered Certified Accountants (ACCA). Available at: www.accaglobal.com (Accessed: November 2024)

Bloomberg. Available at: www.bloomberg.com (Accessed: November 2024)

The Financial Times. Available at: www.ft.com (Accessed: November 2024)

The Economist. Available at: www.economist.com (Accessed: November 2024)

The Wall Street Journal. Available at: www.wsj.com (Accessed: November 2024)

The World Bank. Available at: www.worldbank.org (Accessed: November 2024)

Electronic Data Gathering, Analysis and Retrieval system (EDGAR database). Available at: www.sec.gov (Accessed: November 2024)

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
First Edition	Nov 2024	