

## **COURSE SPECIFICATION DOCUMENT**

**NOTE:** ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING LTPC.

**Academic School/Department:** Business and Economics

**Programme:** BA (Hons) Business Administration with Combined Studies

**FHEQ Level:** 5

**Course Title:** Corporate Finance

**Course Code:** FNN 5200

**Course Leader:** Ivan K. Cohen

<b>Student Engagement Hours:</b>	120
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75

**Semester:** Fall and Spring

**Credits:** 12 UK CATS credits  
6 ECTS credits  
3 US credits

**Course Description:** This course examines the financial needs of corporations and the range of mechanisms available to meet them. The key concept of the time value of money is studied and applied to several decision models in capital budgeting and investment valuation. Other basic theories of Finance examined include risk versus return, modern portfolio theory, and basic financial statement analysis. Different financial requirements are considered with some emphasis in comparing internal and external sources of funds, their relative availability, and costs. Other topics considered include capital structure and dividend policy.

**Prerequisites:** ACC 4200, ACC 4205, MGT 4205

**Aims and Objectives:** This Course examines the financial needs of corporations and the range of mechanisms to meet them. The concept of the time value of money, is extended to investment valuation. Other basic theories of finance are introduced, including fundamental and technical analysis and portfolio management. Further concepts include short- and long-term financial management, optimal capital structure, risk and return, and portfolio theory.

**Programme Outcomes:**

A1–A7

B1–B5

C1, C2

D1–D5

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

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

<http://www.richmond.ac.uk/content/academic-schools/academic-registry/program-and-course-specifications.aspx>

**Learning Outcomes:**

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

- Critically analyse the role of corporate finance in key decisions relating to: investment and resource allocation, financing and capital structure, and dividend policy.
- Evaluate the importance of key ideas and relationships in corporate finance: risk and return, time value, and the important role of financial markets and institutions.
- Examine the economic background to the corporate environment.
- Critically analyse corporate financial statements and evaluate company performance.
- Evaluate the international dimension to investment and risk.
- Appreciate the development of an ethical and strategic perspective in Corporate Finance.

**Indicative Content:**

- The Time Value of Money
- Basic and advanced valuation techniques, debt and equity
- Portfolio theory: Markowitz and CAPM
- Capital budgeting, including WACC calculation
- Capital structure, dividend policy and Modigliani and Miller

**Assessment:**

This course conforms to the Richmond University MTH Assessment Norms approved at Academic Council on June 28, 2012.

**Teaching Methodology:**

This course will be taught on a twice-weekly basis. The course depends heavily on student-led reading and use of Excel for completing the regular and frequent exercises.

**Bibliography:**

See syllabus for complete reading list

**Indicative Text(s):**

Block and Hirt (2010) *The Fundamentals of Financial Management*, 14<sup>th</sup> edition. McGraw-Hill.

Boakes, Kevin (2009) *Reading and Understanding the Financial Times*, second edition. FT/Prentice Hall

Brealey, Richard A., Stewart C. Myers and Franklin Allen (2010) *Principles of Corporate Finance*, international edition. McGraw-Hill Irwin

Ivan K. Cohen (2005) *Focus on Financial Management*. Imperial College Press

Hillier, David, Stephen Ross, Randolph Westerfield, Jeffrey Jaffe and Bradford Jordan (2012) *Corporate Finance: European Second Edition*. McGraw-Hill

**Journals**

*The Financial Times*

*The Economist*

*The Wall Street Journal*

*Business Week*

*European Journal of Finance & Accounting.*

*Journal of Corporate Finance.*

*Journal of Applied Corporate Finance*

*Quarterly Journal of Finance and Accounting.*

*The Journal of Finance*

**Web Sites**

[www.ft.com](http://www.ft.com)

[www.economist.com](http://www.economist.com)

wsj.com

[www.cfainstitute.org](http://www.cfainstitute.org)

[www.imanet.cfm](http://www.imanet.cfm)

[www.sec.gov](http://www.sec.gov) (EDGAR database)

Google Finance ([www.google.co.uk/finance?tab=we](http://www.google.co.uk/finance?tab=we))

CNBC ([www.cnbc.com](http://www.cnbc.com))

Global Financial Data ([www.globalfinancialdata.com/index.html](http://www.globalfinancialdata.com/index.html))

Social Science Information Gateway ([www.sosig.ac.uk/economics](http://www.sosig.ac.uk/economics))

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

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