

## **COURSE SPECIFICATION DOCUMENT**

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

<b>School:</b>	Business and Economics
<b>Programme:</b>	Masters in Business Administration
<b>FHEQ Level:</b>	7
<b>Course Title:</b>	Financial Management
<b>Course Code:</b>	FNN 7102
<b>Course Leader:</b>	Parviz Dabir-Alai
<b>Student Engagement Hours:</b>	200
Seminars:	39
Tutorials:	6
Independent / Guided Learning:	155
<b>Semester:</b>	Fall
<b>Credits:</b>	20 UK CATS credits 10 ECTS credits 4 US credits

### **Course Description:**

This course is designed to develop the student's ability to apply key concepts and tools in financial analysis to the needs of the modern corporation. Students will gain the key foundations for understanding, analysing and interpreting financial information, enabling application to financial decision making in modern business organisations.

**Prerequisites:** N/A

### **Aims and Objectives:**

This course considers the financial needs of corporations and the tools and techniques available for satisfying those needs. The key concept of the Time Value of Money is applied as the foundation for valuation: of bonds, equities, and the firm itself. Portfolio theory is considered, both from an investment and fund-raising perspective. Capital budgeting, including WACC calculation is followed by consideration of capital structure and dividend policy.

### **Programme Outcomes:**

A1, A2, A5  
B1, B2, B3, B4  
C3, C4  
D1, D2, D3, D4

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

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

<http://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**

- Be able to analyse critically corporate financial statements, and evaluate corporate performance.
- Develop a robust understanding of the nature and role of financial decision making, including application of key valuation techniques and portfolio theory.
- Understand the importance of the risk-return tradeoff.
- Analyse, explain and plan financial decisions under a range of different scenarios.

#### **Cognitive skills**

- Understanding the language and jargon of finance and be able to converse fluently.
- Understanding the nature and role of the financial system as the background to financial decision making.
- To understand the various risks involved in financial decision making, and be able to assess the potential returns.
- Being able to understand and recognise the continually evolving nature of the financial system and accounting standards.

#### **Subject specific, practical and professional skills**

- Quantitative and IT skills including the framing of data, its interpretation, extrapolation and presentation.
- Integration of empirical data within a textual-based report.
- To be able to compare and contrast key financial theories in the context of a changing financial environment.
- The ability to apply key financial management tools, both to hedge risk and inform the making of other key decisions, both tactical and strategic.

**General/transferable skills**

- Effective communication skills via a range of media.
- Ability to develop strong analytical skills through listening, discussion and reflection.

**Indicative Content:**

1. *Review of financial statements, including ratio analysis and z-scores.*
2. *The evolution of the financial system in response to changing circumstances.*
3. *The Time Value of Money and valuation.*
4. *Bonds, equity and dividends: valuation and rates of return.*
5. *Financial investment: portfolio theory.*
6. *Capital budgeting, including WACC.*
7. Capital structure.
8. Dividend policy; retained earnings.

**Assessment:**

This course conforms to the Richmond University Standard Assessment Norms at Level 7 approved at Learning and Teaching Policy Committee found at:  
<http://www.richmond.ac.uk/content/academic-affairs/academic-standing.aspx>.

**Teaching Methodology:**

Through lectures, discussions and assignments (case studies), the course emphasises problem-solving and the application of theory to real world practice. Teamwork will be encouraged.

**Bibliography:**

See syllabus for complete reading list

**Indicative texts**

**Required Texts:**

Higgins, Robert C. (2015) *Analysis for Financial Management*. 11<sup>th</sup> edition. McGraw-Hill.

**Recommended Reading:**

Berk, Jonathan, Peter DeMarzo, Jarrad Harford, (2014), *Fundamentals of Corporate Finance*. Third Edition. Pearson.

Brealey, Richard A, Stewart C. Myers and Franklin Allen (2014), *Principles of Corporate Finance*. 11th Edition. McGraw-Hill.

Cohen, Ivan K. (2005) *Focus on Financial Management*. Imperial College Press  
Hillier, David, Stephen Ross, Randolph Westerfield, Jeffrey Jaffe, Bradford Jordan  
(2013) *Corporate Finance*. Second Edition, McGraw-Hill.

**Journals:**

1. European Journal of Finance & Accounting.
2. Journal of Corporate Finance.
3. Journal of Applied Corporate Finance
4. Quarterly Journal of Finance and Accounting.
5. The Journal of Finance.

**Web Sites**

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

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Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Academic Registry
Minor	Updating of template	Dean's action – 25/4/2014	
Minor	Updating & Redrafting of Aims and Objectives.	Dean's Action 12.8.15	
Minor	Change to course description.	Dean's Action 12.8.15	