

## COURSE SPECIFICATION DOCUMENT

<b>Academic School / Department:</b>	Richmond Business School
<b>Programme:</b>	Accounting and Finance Business Management: International Business
<b>FHEQ Level:</b>	6
<b>Course Title:</b>	Financial Management
<b>Course Code:</b>	FNN 6106
<b>Student Engagement Hours:</b>	160
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	100
Supervision	15
<b>Semester:</b>	Fall, Spring
<b>Credits:</b>	16 UK CATS credits 8 ECTS credits 4 US credits

### **Course Description:**

The aim of the course is to develop the knowledge and skills expected of a finance manager, in relation to investment, financing, and dividend policy decisions. It is designed to equip students with the skills that would be expected from a finance manager responsible for the finance function of a business.

### **Prerequisites:**

ACC 5200 Advanced Managerial Accounting or FNN 5200 Corporate Finance

**Aims and Objectives:**

The course aims to introduce the role and purpose of the financial management function within a business. The course highlights the importance of the three key financial management decisions of investing, financing, and dividend policy and it explores the economic environment in which such decisions are made.

The course includes an introduction of investing decisions including working capital management and the appraisal of long-term investments.

The course examines the various sources of business finance, including dividend policy and how much finance can be raised from within the business. It also looks at the cost of capital and other factors that influence the choice of the type of capital a business will raise. The principles underlying the valuation of business and financial assets, including the impact of cost of capital on the value of business, is covered next.

The course then covers an introduction to, and examination of, 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: 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**

- Discuss the role and purpose of the financial management function
- Evaluate the impact of the economic environment on financial management
- Discuss and apply working capital management techniques
- Perform effective investment appraisals
- Evaluate alternative sources of business finance
- Discuss and apply principles of business and asset valuations
- Explain and apply risk management techniques in 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 nature and purpose of financial management
- Financial objectives and relationship with corporate strategy
- Stakeholders and impact on corporate objectives
- Financial and other objectives in not-for-profit organisations

##### Financial management environment

- The economic environment for business
- The nature and role of financial markets and institutions
- The nature and role of money markets

##### Working capital management

- The nature, elements and importance of working capital
- Management of inventories, accounts receivable, accounts payable and cash
- Determining working capital needs and funding strategies

##### Investment appraisal

- Investment appraisal techniques
- Allowing for inflation and taxation in DCF
- Adjusting for risk and uncertainty in investment appraisal
- Specific investment decisions (lease or buy, asset replacement, capital rationing)

##### Business finance

- Sources of, and raising, business finance
- Estimating the cost of capital
- Sources of finance and their relative costs
- Capital structure theories and practical considerations

## Business valuations

- Nature and purpose of the valuation of business and financial assets
- Models for the valuation of shares
- The valuation of debt and other financial assets
- Efficient market hypothesis (EMH) and practical considerations in the valuation of shares

## Risk management

- The nature and types of risk and approaches to risk management
- Causes of exchange rate differences and interest rate fluctuations
- Hedging techniques for foreign currency risk
- Hedging techniques for interest rate risk

## 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](http://www.accaglobal.com))

Bloomberg ([www.bloomberg.com](http://www.bloomberg.com))

The Financial Times ([www.ft.com](http://www.ft.com))

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

The Wall Street Journal ([www.wsj.com](http://www.wsj.com))

The World Bank ([www.worldbank.org](http://www.worldbank.org))

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