

BA (Hons) in Accounting and Finance

STAGE 2

Module	Finance and Wealth Management
Course code	BAAFH-FWM
Credits	10
Important notes	Available to students who have completed at least one year of Financial Accounting Tuition.
Allocation of marks	20% Continuous Assessment 80% Final Examination

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Explain the financial environment within which organisations operate
2. Assess the financial objectives of various types of organisations and the respective requirements of stakeholders
3. Evaluate the factors affecting investment decisions and opportunities presented to an organisation
4. Identify alternative sources of finance and consider their suitability in particular circumstances
5. Select and apply techniques in managing working capital
6. Analyse a company's performance and make appropriate recommendations
7. Provide advice on personal wealth management and pension planning

Module Objectives

The objective of this module is to develop the knowledge and skills expected of a finance manager in relation to investment and financing decisions.

This module provides the learner with skills to explore the financial environment in which an entity and its managers must operate, assess capital investment situations as well as an understanding of the various methods that can be used to finance capital investments. This module aims to demonstrate the importance of working capital management and the tools to manage it. It also provides the learner with the means to manage personal wealth and pension planning.

Module Curriculum

Financial Function and Environment

- financial objectives of organisations
- stakeholders in an organisation, their objectives and the impact their objectives may have on corporate objectives.
- agency theory and the ways to achieve shareholder objectives
- economic environment for business
- nature and role of financial markets

Investment Appraisal

- evaluation techniques:
 - Payback Period
 - Accounting Rate of Return
 - Net Present Value (NPV)
 - Internal Rate of Return (IRR)
- discounted cash flow
- relevant and irrelevant cash flows appropriate to the investment appraisal decision

Sources of Finance

- features of various short, medium and long term sources of finance and their suitability to the organisation
- the impact of share capital and loan capital on the organisation
- implications of terms included in loan agreements
- principle alternative security types (e.g. equity, preference shares and debentures) and situations where they are suitable.
- process of raising capital privately and the role of venture capital

Management of Working Capital

- constituent elements of working capital
- the working capital cycle including the:
 - Management of cash including the preparation of cash budgets
 - Management of receivables – credit evaluation, setting credit policy, offering discounts, systems and techniques to control receivables, factoring, invoice discounting
 - Management of payables – important source of finance, impact of discounts offered
 - Management of inventories – use of various models e.g. economic order quantity (EOQ)

Performance Appraisal

- performance analysis of an organisation

- key ratios (profitability, liquidity, efficiency, gearing and investor ratios) used in evaluation of a company's performance

Personal Wealth Management and Pension Planning

- personal financial management process
- principles of personal wealth management.
- appropriate methods to assess an individual's personal financial position
- constructing an investment portfolio
- common forms of personal investments (including investments and pensions).