

MODULE:	FINANCIAL MANAGEMENT
Semester:	II (Spring)
Stage:	II
Number of Credits:	4 semester credits / 6 quarter units
Theme:	Finance
Assessment Weighting:	20% Coursework and 80% Final Examination

INTRODUCTION

This module introduces the basics of Financial Management and their application in practice. It provides a good foundation for the more complex topics, which are explored in Strategic Financial Management (Stage III).

AIMS

The aim of this module is:

To introduce a knowledge and understanding of the role of financial management in project appraisal and business planning and control

LEARNING OUTCOMES

On successful completion of this module students will be able to:

- Understand the workings of the Financial System
- Advise on the suitability of particular sources of finance to individual situations
- Demonstrate an understanding of the importance of working capital management to the organisation and the tools to manage it
- Appreciate the importance of Investment Appraisal and understand the various evaluation techniques
- Analyse a company's performance and make appropriate recommendations

SYLLABUS

- Introduction to Investment Appraisal
- An appreciation of the basic evaluation techniques:
 - Payback
 - Accounting Rate of Return
 - NPV and IRR,
 - Discounted Cash Flow.
- Understanding of Relevant Cash Flows

Management of Working Capital

Cash management including Cash Budgets

Sources of short-term finance and the various models to manage cash

Debtor Management

Credit evaluation

Credit policy

Discounts

Systems and techniques to control debtors

Creditors as a source of finance

Impact of discounts.

Stock Management

Use of various models e.g. Economic Order Quantity.

Sources of Finance

Understanding of impact of Share and Loan Capital on the organisation and the providers of capital

Features of the various instruments and their suitability

Leasing

Bank Finance

Grants etc.

Performance Appraisal

Analyse the performance of an organisation

Understand the important ratios which are used in evaluation

TEACHING AND LEARNING METHODS

The module will be delivered by means of formal and participative lectures supported by tutorials. These will be supplemented by course notes on specific issues that may require closer examination, analysis and research.

ASSESSMENT METHODS

Class work and directed assignments will be allocated on a regular basis. Students will be required to complete the necessary assignments throughout the module. Students will be advised how to undertake the assignments both in terms of the research and the presentation format involved.

Assignments will account for 20% of the course marks. The remaining 80% will be reserved for a closed book examination on module completion.

PRIMARY READING LIST

'Management and Cost Accounting' Drury, C., Chapman & Hall (Current Edition)

RECOMMENDED READING LIST

Management & Cost Accounting, Horngren, Bhimani, Datar, Foster, Prentice Hall (1999)