

**MODULE:** STRATEGIC FINANCIAL MANAGEMENT

**CODE:** BABS-3-2-10

**Stage:** III

**Credit Points:** 4 semester credits / 6 quarter units

### Overview and Aims

The aims of this module are:

- To further explore the principles outlined in Financial Management (Stage II)
- To introduce topics appropriate to the strategic aspects of finance including the impact of risk on the organisation and the various techniques to manage same; calculation of the cost of capital; corporate reorganisation; corporate governance and the global financial environment.

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

- Demonstrate an understanding of the impact of finance on the organisation.
- Recognise how a company can be exposed and how to manage this risk.
- Evaluate complex investment appraisal situations and appreciate the importance of the cost of capital to the organisation and how the structure chosen will impact on this.

Advise the company in an acquisition situation

### Module Content

Investment Appraisal

Understand how to incorporate inflation

## Taxation

How to handle risk & uncertainty

## Cost of Capital

Calculation of the cost of the various sources of finance and the Weighted Average Cost

## Capital Structure

Understand the various theories regarding the optimal capital structure

## Foreign Exchange Management

Understand the basic techniques to manage exchange risk

## Interest Rate Management

Appreciate the risks involved in borrowing and the instruments used to manage them

## Mergers & Acquisitions /Company Valuations

Rationale for acquisition

Consideration for acquisition

Impact on both parties

Defence tactics etc.

Various methods of valuing companies