

MODULE: FINANCIAL MANAGEMENT

CODE: BAAF-2-2-10

Stage: II

Credit Points: 4 semester credits / 6 quarter units

Overview and 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.

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

Module Content

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

