

Liverpool John Moores University

Title: CORPORATE FINANCE AND FINANCIAL MARKETS
Status: Definitive
Code: **5002KFBAF** (118507)
Version Start Date: 01-08-2011

Owning School/Faculty: Liverpool Business School
Teaching School/Faculty: Kaplan Financial Birmingham

| Team | Leader |
|------------|--------|
| Jason Laws | |

Academic Level: FHEQ5
Credit Value: 24.00
Total Delivered Hours: 55.00
Total Learning Hours: 240
Private Study: 185

Delivery Options

Course typically offered: Standard Year Long

| Component | Contact Hours |
|-----------|---------------|
| Lecture | 52.000 |

Grading Basis: 40 %

Assessment Details

| Category | Short Description | Description | Weighting (%) | Exam Duration |
|----------|-------------------|-------------|---------------|---------------|
| Essay | Essay | | 33.0 | |
| Exam | Exam. | | 67.0 | 3.00 |

Aims

To provide students with:

- 1. A clear grounding in finance and to elucidate the environment in which the firm operates.*
- 2. Knowledge and skills to underpin final year finance modules.*

Learning Outcomes

After completing the module the student should be able to:

- LO 1 Identify the major objectives of the financial manager.
- LO 10 Understand the motivations and potential synergies for Mergers and Acquisitions.
- LO 2 Recognize the structure of financial statements and the format of an AGM.
- LO 3 Calculate a series of financial ratios using published financial statements.
- LO 4 Evaluate the role of international financial markets in providing finance, liquidity and the ability to manage financial risk.
- LO 5 Use relevant financial data to calculate the cost of capital.
- LO 6 Analyse investment decisions using discounted cash flow models.
- LO 7 Recognize the trade-off between risk and return.
- LO 8 Evaluate the role of the Capital Asset Pricing Model in pricing risk.
- LO 9 Assess the efficiency of financial markets and the implications of market efficiency.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

| | | | | | | | | | |
|-------------|----|----|----|----|----|----|----|----|----|
| Essay | LO | LO | LO | | | | | | |
| | 1 | 2 | 3 | | | | | | |
| Examination | LO | LO | LO | LO | LO | LO | LO | LO | LO |
| | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |

Outline Syllabus

1. Introduction to financial management
2. A walk through a financial statement and an AGM
3. A primer on the mathematics of interest rates and discounted cash flow analysis
4. Making capital investment decisions
5. Financing a business: Stock markets and equities
6. Financing a business: The domestic and international bond market
7. The trade-off between risk and return
8. The capital asset pricing model (CAPM)
9. The cost of capital and capital structure decision
10. Dividend policy
11. Managing working capital
12. Mergers and acquisitions
13. The efficiency of financial markets and implications for investment appraisal

Learning Activities

A 2 hour flexible session with formal lecture time, problem solving and discussion.

References

| | |
|-----------------|------|
| Course Material | Book |
|-----------------|------|

| | |
|------------------------|--|
| Author | Atrill, P |
| Publishing Year | 2008 |
| Title | Financial Management for Decision Makers |
| Subtitle | |
| Edition | 5th edition |
| Publisher | Financial Times/Prentice Hall |
| ISBN | |

| | |
|------------------------|-------------------------------|
| Course Material | Book |
| Author | Pilbeam, K |
| Publishing Year | 2005 |
| Title | Finance and Financial Markets |
| Subtitle | |
| Edition | 2nd edition |
| Publisher | Palgrave |
| ISBN | |

Notes

The aim of this module is to provide an introduction to corporate finance and the world's financial markets. The module will outline each of key the financial objectives of the firm and contextualise key decisions within the world's financial markets. The approach will be "real world" and will make extensive use of the contemporary topics and issues. The approach will be real world and applied utilizing Excel where appropriate.