

## Liverpool John Moores University

Title: Investment and Finance  
Status: Definitive  
Code: **5509DGABW** (128689)  
Version Start Date: 01-08-2021

Owning School/Faculty: Business and Management  
Teaching School/Faculty: Dong A University

| Team        | Leader |
|-------------|--------|
| Karl Harper | Y      |

**Academic Level:** FHEQ5  
**Credit Value:** 20  
**Total Delivered Hours:** 44  
**Total Learning Hours:** 200  
**Private Study:** 156

### Delivery Options

Course typically offered: Semester 1

| Component | Contact Hours |
|-----------|---------------|
| Lecture   | 11            |
| Seminar   | 11            |
| Workshop  | 22            |

**Grading Basis:** 40 %

### Assessment Details

| Category | Short Description | Description | Weighting (%) | Exam Duration |
|----------|-------------------|-------------|---------------|---------------|
| Report   | Coursework        | Coursework  | 100           |               |

### Aims

*The module is designed to enable the student to use investment appraisal techniques and to critically evaluate investment appraisal activity within the firm. The module will also enable students to demonstrate an awareness of the significance of finance theory and its contemporary and practical relevance.*

### Learning Outcomes

After completing the module the student should be able to:

- 1 Indicate the major objectives of the financial manager
- 2 Use relevant financial data to calculate the cost of capital
- 3 Analyse Investment decisions using discounted cash flow models
- 4 Analyse risk from a utility theory perspective
- 5 Evaluate the role of portfolio theory and the Capital Asset Pricing model in assessing and pricing risk.
- 6 Apply the theory of option pricing
- 7 Recognise the implications of the Efficient Markets Hypothesis
- 8 Demonstrate how to calculate optimal capital structure
- 9 Use relevant data to evaluate the working capital policy of a given financial enterprise

### **Learning Outcomes of Assessments**

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

|            |   |   |   |   |   |   |   |   |   |
|------------|---|---|---|---|---|---|---|---|---|
| Coursework | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|------------|---|---|---|---|---|---|---|---|---|

### **Outline Syllabus**

1. *Financial objectives of the firm.*
2. *Traditional methods of investment appraisal.*
3. *Discounted cash flow methods of investment appraisal.*
4. *The impact of inflation and taxation on the investment appraisal decision.*
5. *Project evaluation under conditions of capital rationing.*
6. *Asset replacement*
7. *Utility Theory*
8. *Portfolio theory and the Capital Asset Pricing Model*
9. *Option pricing theory*
10. *Leasing*
11. *The Efficient Markets Hypothesis*
12. *Sources and cost of capital*
13. *Capital structure*
14. *Working Capital Management*

### **Learning Activities**

There are THREE components to learning activity :

1. Lectures - introduction of new material
2. Workshop - Recapping and developing material
3. Seminar - applying and testing of material

### **Notes**

This course enables students to use standard financial models in order to analyse the investment, capital structure and working capital policy of any financial enterprise,