

## Liverpool John Moores University

Title: BUSINESS FINANCE  
Status: Definitive  
Code: **5515CP** (103557)  
Version Start Date: 01-08-2013

Owning School/Faculty: Arts, Professional and Social Studies  
Teaching School/Faculty: Dublin Business School

Team	Leader
Alistair Beere	Y

**Academic Level:** FHEQ5      **Credit Value:** 24.00      **Total Delivered Hours:** 77.00  
**Total Learning Hours:** 240      **Private Study:** 163

### Delivery Options

Course typically offered: Standard Year Long

Component	Contact Hours
Lecture	50.000
Tutorial	25.000

**Grading Basis:** 40 %

### Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Essay	AS1	Group Assignment	20.0	
Exam	AS2	Examination	70.0	2.00
Test	AS3	Class test	10.0	

### Aims

*To develop in learners the ability to apply cost accounting techniques to commercial business scenarios.*

*To provide learners with an understanding of the role of budgeting and standard costing in business.*

*To highlight in learners the importance of financial and non-financial information to business decisions.*

*To provide learners with the knowledge of relevant techniques used to manage working capital.*

*To develop in learners a knowledge of the link between capital structure and long term investment decisions.*

## **Learning Outcomes**

After completing the module the student should be able to:

- 1 Demonstrate the ability to derive and apply cost accounting techniques to planning, control and decision making
- 2 Compare actual performance to budgeted performance and calculate basic variances for control purposes.
- 3 Appraise commercial scenarios and incorporate appropriate financial and non-financial data in the management of projects, products and future growth.
- 4 Assess short term funding requirements to facilitate optimal management of working capital.
- 5 Explain the sources and applications of finance in the appraisal of long term capital investment opportunities.

## **Learning Outcomes of Assessments**

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

GROUP	1	2	3		
ASSIGNMENT					
EXAM	1	2	3	4	5
CLASS TEST	1	2			

## **Outline Syllabus**

- 1. Introduction to Business Finance Analysis of the role and relationship between management accounting and corporate finance.*
- 2. Cost accounting Concept of cost accounting Identification of various costs Accounting for material, labour and overheads.*
- 3. Cost accounting techniques Inventory control (EOQ), and inventory valuation. Overhead analysis. Marginal and absorption costing. ABC.*
- 4. Planning and preparation of relevant budgets. Nature and purpose of budgets. Budget preparation. Flexible budgets. Budgetary control and reporting. Behavioral aspects of budgets.*
- 5. Comparison of actual performance to budgeted performance. Standard costing systems, variance calculations and analysis, Reconciliation of budget and actual profit.*
- 6. Relevant costs for decision-making. Cost volume profit analysis and break-even analysis. Decision making techniques - single limiting factor, relevant costs and make or buy decisions.*
- 7. Introduction to Investment Appraisal - Identifying potential investment opportunities. Non-discounted techniques: Payback, Accounting Rate of Return.*

*Discounted techniques: Internal Rate of Return, Net Present Value.*

*8. Capital & Money Markets - The role and nature of the capital and money markets.*

*9. Sources of Finance Source of finance Advantages and disadvantages of various forms of finance.*

*10. Working Capital Management - The components of working capital management in an organisation: cash, receivables, inventory, and payables. Identification of the weaknesses of, and remedies for the management of working capital.*

## Learning Activities

Lectures and tutorials.

## References

<b>Course Material</b>	Book
<b>Author</b>	Drury, C
<b>Publishing Year</b>	2011
<b>Title</b>	Cost and Management Accounting
<b>Subtitle</b>	An Introduction
<b>Edition</b>	7th
<b>Publisher</b>	Cengage Learning
<b>ISBN</b>	

<b>Course Material</b>	Book
<b>Author</b>	Brealey, R., Myers, S. & Allen, F
<b>Publishing Year</b>	2011
<b>Title</b>	Principles of Corporate Finance
<b>Subtitle</b>	
<b>Edition</b>	10th
<b>Publisher</b>	McGraw-Hill
<b>ISBN</b>	

<b>Course Material</b>	Book
<b>Author</b>	Lucey, T.
<b>Publishing Year</b>	2008
<b>Title</b>	Costing
<b>Subtitle</b>	
<b>Edition</b>	7th
<b>Publisher</b>	Cengage Learning
<b>ISBN</b>	

<b>Course Material</b>	Book
<b>Author</b>	Sheppard, G.
<b>Publishing Year</b>	2011
<b>Title</b>	Management Accounting
<b>Subtitle</b>	A Practical Approach
<b>Edition</b>	1st

<b>Publisher</b>	Gill & Macmillian
<b>ISBN</b>	

<b>Course Material</b>	Book
<b>Author</b>	Megginson, W., Smart, S. & Lucey, B.
<b>Publishing Year</b>	2008
<b>Title</b>	Introduction to Corporate Finance
<b>Subtitle</b>	
<b>Edition</b>	1st
<b>Publisher</b>	South Western Cengage Learning
<b>ISBN</b>	

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## Notes

This module introduces learners to the areas of management accounting and financial management and aims to provide knowledge and application of basic principles, concepts and techniques in the context of business decision-making encountered by non-finance professionals.