

Liverpool John Moores University

Title: INVESTMENT AND FINANCIAL ANALYSIS
Status: Definitive
Code: **6500AE** (107277)
Version Start Date: 01-08-2011

Owning School/Faculty: Liverpool Business School
Teaching School/Faculty: Isle of Man International Business School

Team	Leader
Alex Watt	Y

Academic Level: FHEQ6
Credit Value: 12.00
Total Delivered Hours: 28.00
Total Learning Hours: 120
Private Study: 92

Delivery Options

Course typically offered: Runs Twice - S1 & S2

Component	Contact Hours
Lecture	13.000
Tutorial	13.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Examination	75.0	2.00
Essay	AS2	Coursework	25.0	

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 Demonstrate technical skill in the use of different investment appraisal techniques.
- 2 Critically appraise the usefulness of different investment appraisal techniques.
- 3 Explain portfolio theory and risk diversification.
- 4 Assess the validity of the Capital Asset Pricing model as a tool for determining risk premia.
- 5 Examine the implications of information efficiency in stock markets.
- 6 Critically evaluate the empirical evidence on information efficiency.
- 7 Make effective oral/written communication on one specific aspect of the module to specified audience.

Learning Outcomes of Assessments

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

EXAM	1	2	3	4	5	6	
ESSAY	1	2	3	4	5	6	7

Outline Syllabus

Financial Objectives of the firm.
Investment appraisal techniques.
The impact of inflation and taxation on the investment appraisal decision.
Project evaluation under conditions of capital rationing.
Portfolio theory and the concept of risk diversification.
The Capital Asset Pricing Model risk adjusted discount rates.
The Arbitrage Pricing Model: An alternative risk measurement model.
The theory and implications of efficient capital markets.

Learning Activities

Weekly lectures and tutorials

References

Course Material	Book
Author	Brealey R.A. Myers S.C. and Marcus, A.J
Publishing Year	2001
Title	Fundamentals of Corporate Finance,
Subtitle	
Edition	3rd edition
Publisher	McGraw Hill.
ISBN	0071180281

Course Material	Book
Author	Lumby S. and Jones, C.,
Publishing Year	2003
Title	Corporate Finance Theory and Practice
Subtitle	
Edition	7th edition
Publisher	Thomson
ISBN	1861529260

Course Material	Book
Author	Ross, S.A, Westerfield, R.W, and Jordan, B.D
Publishing Year	2003
Title	Fundamentals of Corporate Finance
Subtitle	
Edition	6th edition
Publisher	McGraw-Hill
ISBN	0071229175

Notes

This model is designed to provide students with a thorough grounding in aspects of financial theory and in particular with the firms investment decision.

The coursework provides an opportunity for formative feedback; the examination is the terminal summative assessment.