

European Business School London
MBA: International Business

Module Code:	MBA 407
Module Title:	Financial Management
Academic Level:	M Level
Credit Value:	12
Status:	Core
Formal Student Hours:	
Contact:	36
Self-directed:	70
Pre-Requisites:	None
Co-Requisites:	None
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A. Rationale

The financial management module is designed to develop the students' understanding of financial management in an international context through the interpretation, use, and analysis of strategic financial information. It is differentiated from the financial and managerial accounting module in that it relates to the control, planning and decision-making application of sources of finance rather than the recording of accounting transactions.

The primary objective of this module is to provide the relevant financial management strategic factors which affect international organisations in possible ethical scenarios. It focuses upon the practical application of financial management methods whilst determining how these contribute to forming international financial decisions in practical strategic problem-solving situations.

This course covers the interpretation, use, and analysis of financial management as it relates to international organisations. It introduces the corporate finance environment in an international context by focusing upon the various sources of finance available to an international organisation and the institutions from which they may be raised. It also examines the costing of these sources and their respective utilisation within investment appraisal techniques. This course then examines how the three main components of working capital (inventory, debtors and cash) can be economically, effectively and efficiently managed to optimise the utilisation of the sources of

finance once the investment project has been selected. Finally, the course focuses upon how the distribution policy impacts facing organisation and the merger and acquisition factors that affect organisational decision making.

B. Aims

To discuss the ideas, frameworks, discussions and issues surrounding Financial Management in both a domestic, European and international, strategic context.

The main aims of this module are to appreciate:

- the international financial management environment, recent financial management issues and their impact upon international organisations from a strategic and ethical perspective;
- the significance of contemporary international financial management research to global organisations;
- the optimum international financial management practice both at the developmental, operational and strategic stages;
- the wider developmental, strategic and ethical international issues concerned with financial management.

The main foundation of this module is the critical understanding and appraisal of current research in the field of strategic, international and ethical practices within financial management.

C. Learning Outcomes

Upon completion of the module, students should have knowledge and skills that connect to the overall learning outcomes of the programme, as indicated in the table below:

Module Learning Outcomes (MLOs)	Programme Learning Outcomes (PLOs)
Attain the knowledge and understanding of the management of the sources, control and application of finance and its recording through the accounting and economic process	A3
Appreciate the principles, methods and uses of financial management in an international context;	B4 C4
Reflect upon the use of systematic and resourceful skills in evaluating financial management information and creating alternative possibilities;	B1 B2
Prepare for an international assignment based on accurate self-knowledge and anticipation of areas of difficulty.	B1 B2 B3
Demonstrate a high degree of self-awareness and sensitivity to others in an international context.	A4 B4
Identify the significance of independent learning and continuous education in financial management.	C4

D. Teaching/Learning Strategy

The teaching/learning strategy for this module has been designed to ensure that the programme level learning outcomes outlined above have been acquired. The teaching activities will consist of two hours of lectures as well as seminars. This module unit will be taught in a twelve week semester divided into lectures, seminars and student-led seminars.

The main strategy in lecturing will be to introduce the knowledge base and demonstrating the evaluation methods. Students are encouraged to be active learners by developing their critical thinking for the subject. Teaching will be supported by directed study of textbooks and journal articles. Students will be encouraged to bring into seminars other articles, case studies. It is designed to make the student active in the learning process and will allow students to engage with, evaluate and reflect upon the ideas presented.

The lectures are also intended to provide the student with the framework to guide them in their independent study and to reinforce what they have already learned. The lectures will provide a coherent overview of the materials, while the tutorials will focus upon a series of seminars and case-related material. These will assist the students in their appreciation of the general principles and issues and to enhance their understanding of financial management.

Intellectual skills such as critical analysis, synthesis and problem solving will be practised through the active learning processes within group learning activities such as seminars, workshops or a field-based study. Independent thought and understanding of intellectual skills will be examined by unforeseen examinations or case study exercises.

E. Assessment Methods

The assessment consists of two main components (each weighted as being 50%) – course assessment and examination.

1. Group Presentation 25%

Each seminar group will be divided into reasonable sub-groups which will then be assigned a topic to present. This will also incorporate self-reflection (on individual and group based) participation and contribution through a full written report. You may also be required to make a formal presentation of the Case Report to your peers and staff members.

Rationale for Assessment:

Students should demonstrate that they can relate problematic, conceptual, theoretical and practical issues to actual international financial management issues.

Each sub-group's work will be assessed in terms of the content and clarity of the presentation.

Programme Learning Outcomes assessed: A3, B1, B2, B3, C1

2. Assignments 25%

Problem solving cases (with a group work element) in high level analysis and appraisal in practical and multi-dimensional international financial management situations.

Rationale for Assessment:

Students should demonstrate that they can relate conceptual and theoretical issues to everyday international financial management issues.

Programme Learning Outcomes assesses: A3, B1, B2, B3, C1, C4

3. Final Examination

50%

An unseen three-hour final examination will require a comprehensive understanding of the techniques and principles of financial management.

Students must demonstrate an ability to apply judgement and express opinions in relation to solving practical financial management problems.

The students will be examined under a time constraint to create a realistic pressure environment.

Rationale for Assessment:

Students should demonstrate that they understand financial issues as they relate to international organisations under the constraints of a deadline.

Programme Learning Outcomes assesses: A3, B1, B2, B3, C1, C2, C6

Knowledge and Skills to be assessed

“If a time-constrained learning outcome has been listed above, you should be aware that failure to meet that outcome will result in a mark of zero being awarded for the module work. However, if there are genuine reasons as to why that outcome could not be met, you should consult and follow the procedure outlined in the section called “Extenuating Circumstances” in the Student Handbook”

F. Indicative Content

- Topic 1: Course Introduction
- Topic 2: International Sources of Finance, Pike and Neale chapters 1, 16, 18
- Topic 3: International Capital Markets, Pike and Neale chapter 2
- Topic 4: Cost of Capital, Pike and Neale chapters 20, 21
- Topic 5: Investment Appraisal, Pike and Neale chapters 3, 5, 6, 9
- Topic 6: Management of Working Capital: Inventory, Pike and Neale chapter 15
- Topic 7: Management of Working Capital: Debtors, Pike and Neale chapter 15
- Topic 8: Management of Working Capital: Cash, Pike and Neale chapter 15
- Topic 9: Dividend Policy, Pike and Neale chapter 19
- Topic 10: Mergers and Acquisitions, Pike and Neale chapter 22
- Topic 11: Portfolio Diversification, Pike and Neale chapter 10
- Topic 12: Course Review

G. Reading

Core Text

Pike and Neale, 4th Edition, *Corporate Finance and Investment*, Prentice Hall, 2003

Recommended Reading

Block & Hirt, 10th Edition, *Foundations of Financial Management*, Irwin Publishing, 2002

Brearly and Myers, 7th Edition, *Principles of Corporate Finance*, McGraw Hill, 2002

Brigham, 9th Edition, *Fundamentals of Financial Management*, Dryden, 2003

Buckley, 5th Edition, *Multinational Finance*, Prentice Hall, 2003

Clark, 2nd Edition, *International Finance*, Thompson, 2002

Eiteman, Stonehill and Moffett, 10th Edition, [Multinational Business Finance](#), Addison Wesley, 2003

Emery and Finnerty, 2nd Edition, *Corporate Financial Management*, Prentice Hall, 2003

Moyer, McGuigan and Kretlow, 9th Edition, *Contemporary Financial Management*, Thomson South-Western, 2003

Peterson, Fabozzi and Habegger, 1st Edition, *Financial Management and Analysis*, J. Wiley, 2004

Ross, Westerfield and Jordan, 5th Edition, *Fundamentals of Corporate Finance*, McGraw Hill, 2001

Shapiro, 7th Edition, *Multinational Financial Management*, J. Wiley, 2003

Van Horse and Wachowitz, 11th Edition, *Foundations of Financial Management*, Prentice Hall, 2002

Watson and Head, 1st Edition, *Corporate Finance*, Financial Times, 2001

Journals

[Accounting and Finance](#)

[European Financial Management](#)

[International Review of Finance](#)

[Journal of Applied Corporate Finance](#)

[Journal of Corporate Finance](#)

[Journal of Economics and Finance](#)

[Journal of Emerging Market Finance](#)

[Journal of Finance](#)

[Journal of Financial Markets](#)

[Journal of Financial Research](#)
[Journal of International Financial Management](#)
[Journal of International Financial Markets, Institutions & Money](#)
[Journal of International Money and Finance](#)
[Journal of Investment Management](#)
[Journal of Money, Credit and Banking](#)
[Journal of Multinational Financial Management](#)
[Multinational Finance Journal](#)
[The Journal of Financial Economics](#)
[The Journal of Financial and Quantitative Analysis](#)
[The Journal of Risk Finance](#)

Useful Websites

[Accuinvest](http://www.accuinvest.com) <http://www.accuinvest.com>

Features stock data including quotes, charts, technical and fundamental analysis, stock news, and online investment training.

[Alliance for Investor Education](http://www.investoreducation.org) <http://www.investoreducation.org>

Dedicated to facilitating greater understanding of investments and the financial markets among current and prospective investors.

[Analysis of Asset Allocation](http://www.asset-analysis.com) <http://www.asset-analysis.com>

Financial market tutorial covering equity analysis, bond market, futures, options, financial leverage, and more.

[FiscalReference.com](http://www.fiscalreference.com) <http://www.fiscalreference.com>

Web reference guide to financial information including links, articles, directory, and a glossary of terms.

[Investments Guide](http://www.investments-guide.com) <http://www.investments-guide.com>

Describes investment markets and strategies, as well as guides to educational and financial news resources.

[Investopedia.com](http://www.investopedia.com) <http://www.investopedia.com>

Educational guide including tutorials and articles.

[TeachMeFinance](http://www.TeachMeFinance.com) <http://www.TeachMeFinance.com>

Explains financial management techniques and methodologies.