

Financial Management

Credit Points: 10

Assessment Weighting: 20% Continuous assessment
80% Exam

1.1 *Module aims and objectives*

This module introduces learners to the basics of financial management and their application in practice. The module focuses on the critical elements of financial decision making for organisations, including investment decisions, sources of finance, management of working capital and performance appraisal.

The module aims to provide learners with an in-depth understanding of the link between company decision-making and the operation of capital markets. Over the course of the module, learners understand and appreciate the strong linkages between finance and globalisation. They demonstrate the importance of working capital management and the tools to manage it. Learners explore the financial environment in which firms and managers must operate.

1.2 *Minimum intended module learning outcomes*

On successful completion of this module, learners are able to:

- i. Explain the financial environment within which organisations must operate and critically evaluate the financial objectives of various types of organisations and the respective requirements of stakeholders
- ii. Recognise the function of capital markets and understand alternative sources of finance and investment opportunities and their suitability in particular circumstances
- iii. Assess the factors affecting investment decisions and opportunities presented to an organisation
- iv. Demonstrate a sense of judgement in managing working capital
- v. Analyse a company's performance and make appropriate recommendations

1.3 *Information provided to learners about the module*

Learners enrolled on this module initially receive a copy of the module descriptor, assessment briefs and assessment strategy. These materials are given directly by the lecturer but also by the year head as part of the Semester Schedule Handbook for award stage modules of the programme. All content is provided on Moodle as well as access to additional content through the library and online resources.

1.4 *Module content, organisation and structure*

Objectives of Financial Management

- The relationship between financial management and financial and management accounting
- Identify and describe the financial objectives of organisations
- Identify the various stakeholders and their objectives
- Examine agency theory and the ways to achieve shareholder objectives
- Financial objectives in not-for-profit organisations

Investment Appraisal

- An appreciation of the various evaluation techniques:
 - Payback period
 - Accounting rate of return
 - Net present value
 - Internal rate of return
- Understanding discounted cash flow
- Identifying relevant cash flows
- Impact of taxation

Management of Working Capital

- Understanding the working capital cycle
- Funding of working capital
- Problems of overtrading
- Cash management, including cash budgets
- Sources of short-term finance
- Management of receivables – credit evaluation, setting credit policy, offering discounts, systems and techniques to control receivables, factoring, invoice discounting
- Management of payables – important source of finance, impact of discounts offered
- Management of inventories – use of various models, e.g. economic order quantity

Sources of Finance

- Understanding the impact of share capital and loan capital on the organisation
- Identifying various providers of finance
- Appreciating the features of the various instruments and their suitability to the organisation
- Leasing – operating and finance leases; sale and leaseback
- Bank finance
- Venture capital
- Peer to peer finance
- Government sources of finance

Performance Appraisal

- Analysis of the performance of an organisation
- Understand the key ratios which are used in evaluation
- Interpret the results and make recommendations for improvement

1.5 *Module teaching and learning (including formative assessment) strategy*

The module is delivered by means of formal and participative lectures supported by the use of case studies. Tutorials are also used to discuss financial management topics in depth. Formative feedback is given in tutorials and following the assignment submission. The results of the assignment inform the tutorial sessions that follow.

In addition, a detailed manual, which has been specifically written for this course, is provided to all learners. This manual includes many revision questions with detailed worked solutions in the more complex areas. At the latter end of the course, a detailed revision kit, which includes a number of past examination questions (and solutions), is provided to learners and worked through.

Learners are also expected to undertake significant reading and preparation before classes and tutorials.
module.

1.6 *E-learning*

Moodle is the College's virtual learning environment (VLE) from which learners are able to access all materials. These include class notes, reading materials, videos and case studies. Online classes and seminars are provided for learners undertaking the 'Blended Learning' courses.

1.7

1.8 *Reading lists and other information resources*

Primary Reading

O'Grady, M. *Financial Management*. Griffith College Dublin: College Publication.

Secondary Reading

Brigham, E. and Ehrhardt, M. (2020) *Financial Management Theory and Practice*. Mason, OH: Cengage

Titman, S., Keown, A.J. and Martin, J.D. (2017) *Financial Management: Principles and Applications*. Upper Saddle River, NJ: Pearson
Watson, D. and Head, A. (2019) *Corporate Finance: Principles and Practice*, 8th edition. Upper Saddle River, NJ: Prentice Hall / Financial Times.

Financial press and financial pages of daily papers

Irish Times, Irish Independent, Financial Times, Sunday Times, Sunday Business Post

Websites

www.ft.com - *Financial Times*

www.wsj.com - *The Wall Street Journal Online*

<https://www.internationalinvestment.net/> - *Investment International*

1.9 Module summative assessment strategy

Classwork and directed assignments are allocated on a regular basis. Assignments account for 20% of the total marks. The remaining 80% is reserved for a closed book examination on module completion.

The assessed work breakdown is indicated in table below.

No.	Description	Weighting
1	Assignment	20%
2	Examination	80%