

Module 19: Financial Management

Stage				3			
Semester				1			
Module Title				Financial Management			
Module Number				19			
Module Status				Mandatory			
Module ECTS Credits				10			
Module NFQ level				8			
Pre-Requisite Module Titles				No			
Co-Requisite Module Titles				No			
Capstone Module?				No			
List of Module Teaching Personnel				Michael O'Grady, Joe Walsh			
Contact Hours				Non-contact Hours			Total Effort (hours)
58				142			200
Lecture	Practical	Tutorial	Seminar	Assignment	Placement	Independent Work	
48		10		20		122	200
Allocation of Marks (Within the Module)							
	Continuous Assessment	Project	Practical	Final Examination	Total		
Percentage Contribution	20			80	100		

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Describe the financial environment within which organisations must operate
2. Critically evaluate the financial objectives of various types of organisations and the respective requirements of stakeholders
3. Discuss the function of capital markets
4. Explain alternative sources of finance and investment opportunities and their suitability in particular circumstances
5. Assess the factors affecting investment decisions and opportunities presented to an organisation
6. Select and apply techniques in managing working capital
7. Analyse a company's performance and make appropriate recommendations.

Module Objectives

This module introduces Financial Management and its 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 objectives are to:

- Provide the learner with an in-depth understanding of the link between company decision-making and the operation of capital markets
- Ensure the learner understands and appreciates the strong linkages between finance and globalisation
- Demonstrate the importance of working capital management and the tools to manage it
- Help the learner to explore the financial environment in which firms and managers must operate.

Module Curriculum

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 (EOQ) and Just-in-Time (JIT). Evaluate impact of discounts offered for bulk-buying.

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; lease or buy decisions
- Bank Finance
- Venture Capital/Business Angels
- Government sources of finance

Performance Appraisal

- Analysis of the performance of an organisation
- Understand the key ratios (profitability, liquidity, efficiency, gearing and investor) which are used in the evaluation of a company's performance
- Interpret the results and make recommendations for improvement

Reading lists and other learning materials

Van Horne, J., Wachowicz, J.M. (2008) *Fundamentals of Financial Management 13th edition*. Financial Times/ Prentice Hall

Watson, D., Head, A. (2006) *Corporate Finance: Principles and Practice 4th edition*. Financial Times/ Prentice Hall

Financial press and financial pages of daily papers: Irish Times, Irish Independent, Financial Times, Sunday Times, Sunday Business Post

Useful websites:

www.ft.com - Financial Times

www.wsj.com - The Wall Street Journal Online

www.investmentinternational.com - Investment International

Module Learning Environment

The module is taught in a traditional classroom setting for lectures and tutorials. At commencement of the module learners are provided with a detailed manual and a learner handbook, incorporating the module descriptor, learning outcomes and assignment briefs.

Module Teaching and Learning Strategy

The module is delivered by means of formal and participative lectures supported by the use of case studies, reflecting the importance of finance in practical situations. Tutorials are also used to discuss financial management topics in greater depth and past examination papers with suggested solutions are introduced. Learners are expected to undertake significant reading and preparation before classes.

Module Assessment Strategy

A detailed assignment accounting for 20% of total marks is set mid-way through the semester. Learners are provided with a detailed case study and required to perform analyses covering a number of financial aspects. Learners are also required to submit a detailed report, summarising their findings together with other broader factors which should be considered.

Expectations regarding the assignment are provided in the assignment brief contained in the module handbook and are also discussed in class. Results and feedback are provided to learners prior to the end of semester. The final exam accounts for 80% of total marks and assesses what has been learned and how well it has been learned.

Module Learning Outcomes - Assessment Matrix		
Learning Outcome	Assignment	Exam
1. Describe the financial environment within which organisations must operate		X
2. Critically evaluate the financial objectives of various types of organisations and the respective requirements of stakeholders		X
3. Discuss the function of capital markets		X
4. Explain alternative sources of finance and investment opportunities and their suitability in particular circumstances		X
5. Assess the factors affecting investment decisions and opportunities presented to an organisation	X	X
6. Select and apply techniques in managing working capital	X	X
7. Analyse a company's performance and make appropriate recommendations.		X