

## Module B3: Strategic Managerial Finance

<b>Stage</b>	1						
<b>Semester (Semester1/Semester2 if applicable)</b>	2						
<b>Module Title</b>	Strategic Managerial Finance						
<b>Module Number/Reference</b>	B3 - SMF						
<b>Module Status (Mandatory/Elective)</b>	Mandatory						
<b>Module ECTS credit</b>	5						
<b>Module NFQ level (only if applicable)</b>	9						
<b>Pre-requisite Module Titles</b>	N/A						
<b>Co-requisite Module Titles</b>	N/A						
<b>Is this a capstone module? (Yes or No)</b>	No						
<b>List of Module Teaching Personnel</b>	Ivan Toner, Niall O'Brien						
<b>Contact Hours</b>				<b>Non-contact Hours</b>			<b>Total Effort (Hours)</b>
<b>Lecture</b>	<b>Practical</b>	<b>Tutorial</b>	<b>Seminar</b>	<b>Assignment</b>	<b>Placement</b>	<b>Independent work</b>	
18		18		14		50	100
<b>Allocation of Marks (Within the Module)</b>							
	<b>Continuous Assessment</b>	<b>Project</b>	<b>Practical</b>	<b>Final Examination</b>	<b>Total is always 100%</b>		
<b>Percentage contribution</b>	50%			50%	100%		

### Intended Module Learning Outcomes

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

1. Demonstrate an understanding of the principles of strategic performance management and the ability to apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance
2. Use strategic planning and control models and tools to plan and monitor organisation performance.
3. Assess how the performance of not-for-profit organizations can be judged and the difficulties involved with measuring outputs and appreciate the behavioural aspects of performance measurement systems,

issues around accountability for performance, beneficial and adverse consequences of linking reward schemes to performance measurement.

4. Predict and prevent corporate failure through the use of quantitative and qualitative corporate failure models.
5. Demonstrate an understanding of the principles of corporate financial management
6. Assess and plan acquisitions and mergers as a growth strategy.
7. Evaluate and advise on alternative corporate re-organisation strategies.

### **Module Objectives**

The module provides the learners with an understanding of strategic performance management principles. The module develops the learners' ability to apply relevant knowledge, skills and exercise professional judgment in selecting and applying strategic management accounting techniques in different business contexts and to contribute to the evaluation of the performance of an organisation and its strategic development. The module is designed to enable the learner to exercise professional judgement as expected of a financial executive in taking or recommending decisions relating to corporate re-organisation strategies. Learners also examine acquisitions and mergers as a method of corporate expansion.

### **Module Aims**

This module aims to:

- Provide learners with an understanding of the principles of strategic performance management and an understanding of the strategic planning and control process.
- Provide learners with an understanding of the impact of economic fiscal and environmental factors on performance evaluation and corporate failure.
- Provide learners with an understanding of current developments and emerging issues and ensure that learners have an appreciation of how they might affect or influence the management of performance within organisations.
- Provide learners with an understanding of the principles of corporate financial management
- Develop the learners' advisory skills in planning strategic acquisitions and mergers and corporate re-organisations

### **Module Curriculum**

Strategic Planning and Control

- Introduction to strategic management accounting
- Appraisal of alternative approaches to budgeting and control
- Changes in business structure and management accounting practice
- Effect of Information technology on modern management accounting

Economic, fiscal and environmental factors

- Impact of world economic and market trends
- Impact of national fiscal and monetary policy on business performance

#### Strategic Performance measurement

- Performance hierarchy
- Scope of strategic performance measures in private sector
- Strategic performance issues in complex business structures
- Divisional performance and transfer pricing issues
- Scope of strategic performance measures in not-for-profit organisations
- Behavioural aspects of performance measurement

#### Performance Evaluation and corporate failure

- Alternative views of performance measurement
- Non-financial performance indicators
- Predicting and preventing corporate failure

#### Current Developments and emerging issues in management accounting and performance management

- Current developments in management accounting techniques.
- Current issues and trends in performance management and performance improvement.

#### Working Capital Management

- Nature elements and importance of working capital
- Management of inventories, accounts receivable, accounts payable and cash
- Determining working capital needs and funding strategies

#### Business Finance

- Sources of finance – internal/ external finance, short-term/long term
- Gearing and capital structure
- Finance for SMEs
- The investor's perspective

#### Acquisitions and mergers

- Acquisitions and mergers versus other growth strategies - revenue synergy, cost synergy, financial synergy
- Valuation for acquisitions and mergers
  - Overvaluation
  - Impact of acquisitions and mergers on the risk profile of acquirer
  - Book value plus models, market relative models, Cash flow models
- Regulatory framework
  - Development of framework
  - Shareholder and stakeholder models of regulation
- Financing acquisitions and mergers

#### Corporate reconstruction and re-organisation

- predicting corporate failure
- Financial reconstruction
- Business re-organisation

## Teaching Plan

<b>Week 1</b>	Strategic Planning and Control
<b>Week 2</b>	Economic, fiscal and environmental factors
<b>Week 3</b>	Strategic Performance measurement
<b>Week 4</b>	Performance evaluation and corporate failure
<b>Week 5</b>	Current developments and emerging issues in management accounting and performance management
<b>Week 6 &amp; 7</b>	Working capital management
<b>Week 8</b>	Assignment week
<b>Week 9</b>	Business finance
<b>Week 10 &amp; 11</b>	Acquisitions and mergers
<b>Week 12 &amp; 13</b>	Corporate reconstruction and re-organisation

## Reading lists and other learning materials

### Recommended Reading

- Boardman, A.E., 2011. *Cost-benefit analysis: concepts and practice*, Upper Saddle River: Prentice Hall.
- Bowhill, B., 2008. *Business planning and control: integrating accounting, strategy, and people*, Chichester, England; Hoboken, NJ: Wiley.
- Bragg, S.M., 2007. *Management accounting best practices: a guide for the professional accountant*, Hoboken, N.J.: John Wiley & Sons.
- Brealey, R.A., Myers, S.C. & Allen, F., 2012. *Principles of corporate finance*, New York, NY: McGraw-Hill Irwin.
- Brigham, E.F. & Daves, P.R., 2013. *Intermediate financial management*,
- Brigham, E.F. & Ehrhardt, M.C., 2014. *Financial management: theory and practice*, Mason, Ohio: South-Western.

### Secondary Reading

- Carl Kester, W., Ruback, R.S. & Tufano, P., 2011. *Case problems in finance.*, New Delhi: McGraw Hill.
- Chorafas, D.N. & Chartered Institute of Management Accountants, 2007. *Strategic business planning for accountants: methods, tools and case studies*, Oxford; Burlington, MA: CIMA.
- Clarke, F.L., Dean, G.W. & Oliver, K.G., 2003. *Corporate collapse: accounting, regulatory and ethical failure*, Cambridge (UK); New York: Cambridge University Press.
- Drury, C., 2012. *Management and cost accounting*, London: Thomson Learning.
- Elliott, B. & Elliott, J., 2012. *Financial accounting and reporting*, Harlow, England; Toronto: Financial Times Prentice Hall.
- Eun, C.S. & Resnick, B.G., 2012. *International financial management*, New York, NY: McGraw-Hill.
- Feinschreiber, R., 2004. *Transfer pricing methods: an applications guide.*, New York: John Wiley & Sons.
- Gole, W.J. & Morris, J.M., 2007. *Mergers and acquisitions: business strategies for accountants*, Hoboken, N.J.: John Wiley & Sons.
- Hope, J. & Fraser, R., 2009. *Beyond budgeting: how managers can break free from the annual performance trap*, Boston, MA: Harvard Business School Press.

Horngren, C.T., Datar, S.M. & Rajan, M.V., 2012. *Cost accounting: a managerial emphasis*, Boston [etc.]: Pearson.

Hull, J., 2012. *Options, futures, and other derivatives*, Boston, Mass.: Prentice Hall.

Koller, T. et al., 2010. *Valuation: measuring and managing the value of companies*, Hoboken, N.J.: John Wiley & Sons, Inc.

McWatters, C.S., Zimmerman, J.L. & Morse, D., 2008. *Management accounting: analysis and interpretation*, Harlow, England: Prentice Hall/Financial Times.

Salvatore, D. & Salvatore, D., 2012. *Managerial economics in a global economy*, Oxford: Oxford University Press.

**Module Learning Environment**

A base classroom is used for teaching purposes for the delivery of module. Learners are also supported with resources to offer structure and guidance. This includes a set of lecture notes and reading materials as well as a detailed module curriculum which includes the module learning outcomes, a class schedule, the necessary reading material and the assignment strategy. Participants also have access to Moodle, the College’s Virtual Learning Environment (VLE).

**Module Teaching and Learning Strategy**

Course content is delivered by means of lectures and tutorials with prior preparation and uses an approach which combines practice problems and case study analysis.

Learners are required to undertake significant reading prior to class and to prepare for tutorials by researching the impact of various tax heads on financial transactions.

**Module Assessment Strategy**

This broad module is assessed jointly through coursework and an end of semester examination. The exam accounts for 50% of the marks awarded for this module.

In addition, learners engage in a large amount of coursework which also contributes to their final mark. The teaching and learning methods employed in this module are participative and largely discussion-based, particularly in the tutorials.

Element Number	Weighting	Type	Description
1	50%	Coursework	Case study
2	50%	Examination	End of semester examination

### Constructive Alignment of Assessment

Module Learning Outcomes	Assessment Strategy	
	Element 1	Element 2
1. Demonstrate an understanding of the principles of strategic performance management and the ability to apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance	Yes	Yes
2. Use strategic planning and control models and tools to plan and monitor organisation performance.	Yes	Yes
3. Assess how the performance of not-for-profit organizations can be judged and the difficulties involved with measuring outputs and appreciate the behavioural aspects of performance measurement systems, issues around accountability for performance, beneficial and adverse consequences of linking reward schemes to performance measurement.	Yes	Yes
4. Predict and prevent corporate failure through the use of quantitative and qualitative corporate failure models.	Yes	Yes
5. Demonstrate an understanding of the principles of corporate financial management	Yes	Yes
6. Assess and plan acquisitions and mergers as a growth strategy.	Yes	Yes
7. Evaluate and advise on alternative corporate re-organisation strategies.	Yes	

### Sample Examination Marking Criteria

Outstanding work which is both illuminating and insightful. Language is fluent and authoritative demonstrating a comprehensive knowledge, and convincing command of the subject matter. Accurate and concise application of theory and additional sources of work where appropriate. Exceptionally clear and well articulated examples provided to support learners answer. Excellent structure.	80%+
Evidence of a very good understanding of theory and sound application to a particular business scenario when required. Competent critical analysis with the ability to develop a clear and compelling argument. Well developed examples where required to help illustrate learners work.	70- 79 %
Good understanding of the underlying concepts and a good attempt at applying theory to business scenario when required. Good logic and structure to answer. Examples provided to illustrate answer.	60- 69%
Evidence of some reading from lectures, handouts, recommended texts though often descriptive in nature. Reasonable use of most major points though missing some key elements of theory. Confused or unclear in parts. Examples provided where required but underdeveloped.	55 – 59%
Some relevant material but inadequate or incomplete treatment of same. Minimal or missing examples.	50 – 54%
Not of passing standard though shows signs of some engagement with the material.	45 – 49%
Serious lack of relevance; signs of lack of involvement with course material; serious confusion.	<45%