

**PRE-REQUISITE(S)**

No pre-requisite is required

**CREDIT HOURS**

4

**SYNOPSIS**

The module is a broad-based concise coverage of key concepts and practical aspects of financing and investment decisions focusing on core issues in finance and their relationship to the business world from the perspective of finance professionals.

In addition, it also provides the necessary sense of responding to social needs with an entrepreneurial solution, including problem solving skills.

It will prepare students to take a strategic management and advisory roles in assisting the start-up companies and existing business enterprises to become a successful and also sustainable business, other than if students venturing into their own business as an alternative option.

**LEARNING OUTCOMES**

- Offer useful technical and management advice for investing in and financing business activities and maintain prompt communication with stakeholders concerned on the outcomes.
- Employ data-driven decision making to formulate financial strategies and dividend policies
- Appraise free-market opportunities that may be transformed into solving social needs and business sustainability to position the organisation at a high level of professionalism.
- Commitment to continuous develop skills, keep abreast with dynamic business trends and development to demonstrate effective managerial skills and leadership.

**TOPICS**

Topic 1      The setting and issues of financial management decision making

- Examining the role of senior management
- Examining the market efficiency impact on corporate investments
- Examining the investment decision making processes to achieve strategic goals
- Examine how to improve internal and external communication on decision making process

Topic 2      Financial Assets Valuation

- Time value of money, effective interest rate, NPV, annuity, dividend growth model – formulate financial strategies

	<ul style="list-style-type: none"> <li>• Importance of judgement in security valuation in formulation business and financial policies</li> </ul>
Topic 3	<p>Capital Market</p> <ul style="list-style-type: none"> <li>• Funding Organizations</li> <li>• Application of various types of instruments to formulate financial strategies</li> <li>• Providing financial management advice to relevant stakeholders</li> </ul>
Topic 4	<p>Raising Equity Capital</p> <ul style="list-style-type: none"> <li>• Equity Financing for Private Companies</li> <li>• The Mechanics of an IPO</li> <li>• Issuance Cost</li> <li>• Consideration for impact on classification and measurement for equity</li> </ul>
Topic 5	<p>Capital Structure in a Perfect Market</p> <ul style="list-style-type: none"> <li>• Equity Versus Debt Financing</li> <li>• The Effect of Leverage on Risk and Return</li> <li>• Modigliani-Miller I: Leverage, Arbitrage and Firm Value</li> <li>• MM – Leverage and the Equity Cost of Capital</li> <li>• Help management to make appropriate investment/financing decisions</li> </ul>
Topic 6	<p>Debt &amp; Equity Financing</p> <ul style="list-style-type: none"> <li>• Impact of Debt vs. Equity financing</li> <li>• Possible consequences arisen from company debts</li> <li>• Financing strategy and paid out policy</li> </ul>
Topic 7	<p>Determining Cost of Capital – revisit</p> <ul style="list-style-type: none"> <li>• Weighted Average Cost of Capital (WACC)</li> <li>• Impact of capital structure on WACC</li> <li>• Considering the impact on measurement for financial instruments under IFRS 9</li> </ul>
Topic 8	<p>Dividend Policy</p> <ul style="list-style-type: none"> <li>• Why is dividend policy important?</li> <li>• What approaches to dividend policy exist?</li> <li>• What theories about dividends prevail?</li> <li>• What queries would lead the financial manager to make better dividend policy decision?</li> <li>• How to use big data to drive dividend formulation strategies</li> </ul>
Topic 9	<p>Cash Management</p> <ul style="list-style-type: none"> <li>• Management of cash and marketable securities</li> <li>• Management of account receivables</li> <li>• Inventory management</li> <li>• Assisting management to devise appropriate cash management strategies for future investments</li> </ul>

- Topic 10      Working Capital Management
- Ways of improving financial efficiency through aligning inflow with outflow
  - Improvement on production with anticipated demands
- Topic 11      Leveraged Buyouts (LBO), Takeover & Restructuring – latest trends and impacts on business sustainability
- Issues associated with M&A
  - Liquidate or reorganize – Decision to make?
  - Company Diagnosis and Analysis
- Topic 12      Company Valuation
- Real option applications using decision tree techniques as a means to augment the shortcoming of DCF techniques
  - Finance strategy and Company valuation
  - Equity valuation using accounting numbers
  - Business valuation using Accounting numbers
  - Examining the latest development in relevant accounting financial reporting and examining its impact on company valuation

Consultation

#### ASSESSMENT DETAILS

<b>Continuous Assessment</b>	<b>%</b>
Presentation of Short Synthesis Assignment	30
Metacognitive Discussion on Written Assessment work	20
<b>Final Assessment</b>	<b>%</b>
Open Book Exam	20
Written Assessment Report	20
Closed Book Exam	10

#### PRESCRIBED TEXT

Main:

Aswath Damodaran, Applied Corporate Finance, 2015, 14th Ed, John Wiley

Jonathan Berk, Peter DeMarzo, Corporate Finance, 4th Ed, 2017, Pearson

Additional References:

Sabri Boubaker, Research Handbook of Finance and Sustainability, 2018, Edward Elgar/Elgaronline

Christine Mallin, Handbook on Corporate Governance in Financial Institutions. 2017, Edward Elgar/Elgaronline

Given the nature of the topics, additional readings will be indicated and posted on HELP E-Learning to which students have access.