

Module Title:	Corporate Finance
Language of Instruction:	English
Credits:	10
NFQ Level:	8
Module Delivered In	No Programmes
Teaching & Learning Strategies:	Formal lectures, individual and group-based activities, class discussion and case-studies will cover the material and its practical application.
Module Aim:	The aim of this module is to enable students to apply knowledge, skills and judgement in decision-making relating to the finance role in an organisation.
Learning Outcomes	
<i>On successful completion of this module the learner should be able to:</i>	
LO1	Understand the general financial framework within which business operates.
LO2	Calculate the cost of capital and degree of financial gearing for a business, assess its significance and evaluate the alternative capital structure options available to a business.
LO3	Appraise the influences on dividend policy in practice and assess the importance of dividends.
LO4	Apply financial management principles and techniques to share valuation, risk management and merger decisions.
LO5	Exercise initiative, self-reliance and time management skills and work independently.
LO6	Develop report writing and referencing skills and conduct independent research using both traditional library based resources and internet based resources.
Pre-requisite learning	
Module Recommendations	
<i>This is prior learning (or a practical skill) that is recommended before enrolment in this module.</i>	
No recommendations listed	
Incompatible Modules	
<i>These are modules which have learning outcomes that are too similar to the learning outcomes of this module.</i>	
No incompatible modules listed	
Co-requisite Modules	
No Co-requisite modules listed	
Requirements	
<i>This is prior learning (or a practical skill) that is mandatory before enrolment in this module is allowed.</i>	
No requirements listed	

Module Content & Assessment

Indicative Content

The Financial Management Framework

• The role of the stock market, financial intermediaries and commercial banks • The treasury function • The operation of the financial system • Developments in world financial markets • Islamic financing • The use of published financial information • The role of corporate governance systems • Regulation and financial markets • The Efficient Market Hypothesis and its implications • Ethics and corporate social responsibility in relation to the finance function including ethical financial policies and environmental issues • Conflicting stakeholder interests and approaches to dealing with them • Role and responsibilities of senior financial managers towards stakeholders

Risk Management

• Types of risk and approaches to risk management. • Foreign currency risk: translation, transaction and economic risk. • Interest rate risk. • Purchasing power parity theory and interest rate parity. • Methods of foreign currency risk management including netting and matching, leading and lagging, forward exchange contracts, money market hedging and currency options. • Hedging for interest rate risk including matching and smoothing, asset and liability management and forward rate agreements.

Cost of Capital / Capital Structure Debate

• Calculation of cost of equity including dividend growth model and CAPM • Cost of different types of debt including irredeemable and redeemable debt and preference shares • Portfolio theory and CAPM • Systematic and unsystematic risk • Weighted Average Cost of Capital (WACC) including uses and limitations. • Gearing: measures of financial gearing, operational and financial gearing & effects of gearing on shares. • Traditional and Modigliani & Millar views of capital structure • Pecking order theory • Capital Structure in the small business

Dividend Decision

• Influences on dividend policy including taxation • How companies decide on dividend levels • Importance of dividends (dividend valuation model) • MM dividend irrelevance proposition • Share buybacks • Dividends and the small business • Dividends and the multinational business

Corporate Valuation

• The valuation problem • The usefulness of accounting information for valuing companies • Valuation methods – earnings basis, asset basis, DCF and dividend valuation basis • Valuation of unquoted companies including dividend yield basis • Managerial control and valuation • Valuing the shares of the small business

Mergers and Acquisitions

• The prevalence of mergers and acquisition • Types of mergers and acquisitions • Merger and acquisition motives • Financing mergers • The merger regulatory process and the Competition Authority • Do mergers work, why mergers fail • Review of merger and acquisition activity in Ireland

Assessment Breakdown	%
Continuous Assessment	40.00%
End of Module Formal Examination	60.00%

Continuous Assessment

Assessment Type	Assessment Description	Outcome addressed	% of total	Assessment Date
Examination	In-class exam	3,4	25.00	n/a
Project	Individual project: Assess company on financial issues	1,3,4,5,6	15.00	n/a

No Project

No Practical

End of Module Formal Examination

Assessment Type	Assessment Description	Outcome addressed	% of total	Assessment Date
Formal Exam	Terminal Examination	1,2,3,4	60.00	End-of-Semester

SETU Carlow Campus reserves the right to alter the nature and timings of assessment

Module Workload

Workload: Full Time		
<i>Workload Type</i>	<i>Frequency</i>	<i>Average Weekly Learner Workload</i>
Lecture	30 Weeks per Stage	3.00
Independent Learning	30 Weeks per Stage	3.67
Total Hours		200.00

