

**School of Business Module Descriptor
Summer School 2019**

1. Module Title	Principles of Finance
2. Module Code	SFIN41501
3. Credit Volume	<p>15 UK/QAA/Gibraltar credits 7.5 ECTS credits 3 SCH/US credits</p> <p>Each module (unit) is validated at 15 University of Gibraltar credits and 7.5 ECTS and typically transfers as 3 credits in North America.</p> <p>The normal workload of a student at the University of Gibraltar is four modules per semester.</p>
4. Level	<p>In accordance with the UK Quality Assurance Agency (QAA) Framework for Higher Education Qualifications (FHEQ) Level Descriptors this module reflects a Year 1 or 2 (Level 4 or 5) module.</p> <p>Please note that liberal studies course-work is not usually part of degree programmes in the UK and Europe and most undergraduate degree programmes are completed in 3 years. This means that a 1st year (level 4) class in the UK is usually equal to a typical liberal arts 200-level class, a 2nd year (level 5) class in the UK is usually equal to a typical liberal arts 300-level class, and a 3rd year (level 6) class in the UK is usually equal to a typical liberal arts 400-level class.</p>
5. Assumed background/ Pre-Requisites	No prior knowledge of finance is required, however basic EXCEL skills are assumed.
6. Module Rationale	
<p>An understanding of finance principles is an essential component of operating or managing a successful business. This module aims to provide students with an understanding of the principles of finance contextualised with real-life case studies.</p> <p>By undertaking this module, students will enhance their knowledge and understanding of finance principles, be provided with opportunities for intellectual debate and the opportunity to link theory to practice. Upon successful completion of the module, students should be able to critically analyse the subject matter.</p> <p>The module also contributes to the development of generic skills such as critical thinking, futures thinking, self-reflection, communication skills and global citizenship.</p>	
7. Outline of Module Content	
<p>This course outlines how to use financial theory to solve practical business finance problems. It includes topics such as: the time value of money, the notion of compound interest, the internal rate of return, financial instrument valuation and the perpetual growth model and covers concepts such as market efficiency, portfolio risk and diversification, the functions of capital markets, the distinct features of financial instruments (including debt, equity and financial derivatives) and the general principles of the pricing and use of financial instruments.</p>	
8. Learning Outcomes	
<p>After successfully completing this course students should be able to:</p> <ol style="list-style-type: none"> 1) Explain the basic principles of finance. 2) Apply financial concepts to real-life situations. 3) Utilize generic problem solving and critical thinking skills. 	

9. Course Content/Topics

- Topic 1: Corporate governance.
- Topic 2: Time value of money; compound interest; the internal rate of return.
- Topic 3: Financial instrument valuation and the perpetual growth model.
- Topic 4: Investment decision making, including net present value.
- Topic 5: Market efficiency, portfolio risk and diversification.
- Topic 6: Capital markets.
- Topic 7: Financial instruments including debt, equity and financial derivatives.
- Topic 8: The pricing and use of financial instruments.

10. Module Delivery

The Summer School Principles of Finance module is delivered face to face over a six-week period, comprising 1.5 hours per day (Monday to Friday) combined lecture and tutorial; a total of 42 hours class time. The final week includes revision, reflection and the final exam. Classes sizes are small and learning is student focussed.

11. Module Assessment

	Description	Weighting (% age of overall assessment)
Quizzes x 2	The quizzes are designed to provide feedback on student progress in the preliminary topics of the course.	20%
Written assignment	The written assignment is used to assess the students' ability to apply the appropriate financial techniques to solve practical problems.	30%
Final Exam	The final exam is used to assess the students' ability to apply the appropriate knowledge and analytical tools for problem solving.	50%

12. Reading List

Key Texts:

- Berk, J., De Marzo P. (2017), *Corporate Finance* (4th ed.), Pearson International Edition

Recommended Texts

- Brealey, R.A., Myers, S.C. and Allen, F. (2017), *Principles of Corporate Finance*, McGraw-Hill

Other Resources:

- The Financial Times - online version
- The Economist - online version