

# MSc Finance

## MODULE INTRODUCTION, AIMS AND OBJECTIVES

### INVPC01: CORPORATE FINANCE

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The primary aim is to provide an understanding of the major decision areas of corporate finance and how these affect the value of the firm. A secondary aim is to develop analytical skills and apply them to financial problems. The module examines both the theory and the practice of corporate financial decision-making. As most of the advances in corporate finance are based on the interaction between corporate decision-making and capital market behaviour, the module covers capital market theory and valuation principles.

### INVPC02 - FINANCIAL REPORTING

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The module provides an introduction to financial accounting techniques, to financial reporting and to International Financial Reporting Standards ('IFRS'). The whole range of accounting activity from the recording of individual transactions to the publication of annual financial statements by a major quoted company is considered. Accounting assumptions and limitations are critically examined in the recognition, measurement and evaluation of financial transactions and statements. Students will be introduced to the techniques available for the analysis and interpretation of reported financial accounting information. Upon completion of the module students will have met learning outcomes from levels I, II and III of the CFA® Program Candidate Body of Knowledge in respect of Financial Reporting

### BFIPC13 QUANTITATIVE METHODS IN FINANCE

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The aim of this module is to provide students with the statistical and computing skills which are necessary to understand modern finance literature and to operate in a commercial finance environment. After the completion of this course students should be able to conduct basic econometric analysis and use it in their master thesis. This module also covers the learning outcomes highlighted in the Chartered Financial Analyst (CFA) Institute Quantitative Methods syllabus at levels 1-3.

## BFIPC25 ECONOMICS FOR BANKING AND FINANCE

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The first half of this module introduces microeconomics. At the heart of every economy, consumers maximize their utility from the consumption of goods and firms maximize profits from the production of goods. In microeconomics, we focus on individual consumers and firms and analyse their demand and supply patterns when interacting in markets.

The second half of the module provides an introduction to macroeconomics. Macroeconomics analyses the economy as a whole. This involves aggregate demand and aggregate supply. We study determinants of national output and its growth over time and try to find explanations for macroeconomic problems such as recession, unemployment, inflation and the balance of international payments. Finally, we discuss policies adopted by governments to deal with these problems.

## FINPC13: INTERNATIONAL CORPORATE FINANCE

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The fundamental objective of this course is to provide learners an understanding of the key areas within international finance. Students will learn about the determinants of foreign exchange rates and changes in rates through different models of exchange rate behaviour. They will also learn about the relation between exchange rates, interest rates and inflation rates. Later modules introduce the use of derivative products (forward, futures and options) in international finance, the measurement of foreign exchange risk and the management of foreign exchange risk and international aspects of investments and portfolio management.

## INVPC07 FINANCIAL STATEMENT ANALYSIS

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INVPC07 is level 11 module with a credit value of 20. The module will enable students to develop skills in the interpretation and use of financial statements. For example, to aid in the decision as to whether to buy, hold, or sell a particular firm's stock. Focussing on company valuation it includes a project in which a group of five students work together to write, and present, an investment analysis report on a UK quoted company based on the company financial statements and other publicly-available information. The module will benefit students who are interested in pursuing careers in the city as investment managers, stock brokers, bankers, accountants or consultants.

## INVPC10: DERIVATIVES

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The module provides an understanding of the uses and the valuation of the main derivative financial instruments: futures, options and swaps. It covers the trading mechanisms used on derivative markets and explains the fundamental principles underlying the pricing of derivatives and their use in portfolio management. Particular attention is paid to the practicalities of using derivatives for risk management purposes. The module also provides an introduction to the working of the foreign exchange market and the instruments used for trading currencies. Related institutional aspects are introduced where necessary. The module Learning Outcomes encompass levels I, II and III of the CFA® Program Candidate Body of Knowledge.

## INVPC12: INVESTMENTS: EQUITY PORTFOLIOS AND PRICING

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The module aims to provide an understanding of equity investments and portfolio management. The module begins with an overview of the portfolio choice between equities and bonds. The module then examines several portfolio building and equilibrium asset pricing models (e.g., CAPM and the Fama-French models). Subsequently, the module will examine issues in stock return predictability, covering a range of alternative asset pricing models as well as considerations of behavioural finance. These issues are extended to a wider international context and the costs and benefits of forming internationally diversified portfolios. These principles are then applied to issues of performance measurement within portfolio management. Upon completion of the module students will have met learning outcomes from levels I, II and III of the CFA® Program Candidate Body of Knowledge in respect of Equity Investments and Portfolio Management.

## INVPC13: INVESTMENTS: FIXED INCOME AND ALTERNATIVE INVESTMENTS

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The module aims to provide an understanding of investments and portfolio management in fixed-income securities and alternative investments. It explains the principles of bond valuation, introduces the concepts underlying the term structure of interest rates, and discusses the management of bond portfolios. The module then covers some of the most important classes, alternative investments, hedge funds (including funds of hedge funds) and private equity funds. In addition to gaining an overview over these asset classes, student will also learn about issues relating to the performance measurement and appraisal in these asset classes.