

Module 11: Finance and Wealth Management

Stage	2				
Semester	1				
Module Title	Finance and Wealth Management				
Module Number	11				
Module Status	Mandatory				
Module NFQ level	7				
Pre-Requisite Module Titles	No				
Co-Requisite Module Titles	No				
Capstone Module?	No				
List of Module Teaching Personnel					
Allocation of Marks (Within the Module)					
	Continuous Assessment	Project	Practical	Final Examination	Total
Percentage Contribution	20%			80%	100%

Intended Module Learning Outcomes

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

1. Explain the financial environment within which organisations operate
2. Assess the financial objectives of various types of organisations and the respective requirements of stakeholders
3. Evaluate the factors affecting investment decisions and opportunities presented to an organisation
4. Identify alternative sources of finance and consider their suitability in particular circumstances
5. Select and apply techniques in managing working capital
6. Analyse a company's performance and make appropriate recommendations
7. Provide advice on personal wealth management and pension planning

Module Objectives

The objective of this module is to develop the knowledge and skills expected of a finance manager in relation to investment and financing decisions.

This module provides the learner with skills to explore the financial environment in which an entity and its managers must operate, assess capital investment situations as well as an understanding of the various methods that can be used to finance capital investments. This module aims to demonstrate the importance of working capital management and the tools to manage it. It also provides the learner with the means to manage personal wealth and pension planning.

Module Curriculum

Financial Function and Environment

- financial objectives of organisations

- stakeholders in an organisation, their objectives and the impact their objectives may have on corporate objectives.
- agency theory and the ways to achieve shareholder objectives
- economic environment for business
- nature and role of financial markets

Investment Appraisal

- evaluation techniques:
 - Payback Period
 - Accounting Rate of Return
 - Net Present Value (NPV)
 - Internal Rate of Return (IRR)
- discounted cash flow
- relevant and irrelevant cash flows appropriate to the investment appraisal decision

Sources of Finance

- features of various short, medium and long term sources of finance and their suitability to the organisation
- the impact of share capital and loan capital on the organisation
- implications of terms included in loan agreements
- principle alternative security types (e.g. equity, preference shares and debentures) and situations where they are suitable.
- process of raising capital privately and the role of venture capital

Management of Working Capital

- constituent elements of working capital
- the working capital cycle including the:
 - Management of cash including the preparation of cash budgets
 - Management of receivables – credit evaluation, setting credit policy, offering discounts, systems and techniques to control receivables, factoring, invoice discounting
 - Management of payables – important source of finance, impact of discounts offered
 - Management of inventories – use of various models e.g. economic order quantity (EOQ)

Performance Appraisal

- performance analysis of an organisation
- key ratios (profitability, liquidity, efficiency, gearing and investor ratios) used in evaluation of a company's performance

Personal Wealth Management and Pension Planning

- personal financial management process
- principles of personal wealth management.
- appropriate methods to assess an individual's personal financial position
- constructing an investment portfolio
- common forms of personal investments (including investments and pensions).

Reading lists and other learning materials

O' Grady, M. *Financial Management*. Griffith College Dublin, College Publication
Power, T., Walsh, S., & O'Meara, P. (2009) *Financial Management*. 3rd Edition, Gill and MacMillan.

Van Horne, J., Wachowicz, J.M. (2008) *Fundamentals of Financial Management*. 13th edition, Financial Times/ Prentice Hall

Ward, A. (2014) *Finance: Theory and Practice*. 3rd edition, Chartered Accountants Ireland.

Watson, D., Head, A. (2006) *Corporate Finance: Principles and Practice*. 4th edition, Financial Times/ Prentice Hall

Financial press and financial pages of daily papers: Irish Times, Irish Independent, Financial Times, Sunday Times, Sunday Business Post

Useful websites:

www.ft.com - Financial Times

www.wsj.com - The Wall Street Journal Online

www.investmentinternational.com - Investment International

Module Learning Environment

A base classroom is used for teaching purposes for the delivery of the 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, the necessary reading material and the assignment strategy. Learners also have access to Moodle, the College's Virtual Learning Environment (VLE).

Module Teaching and Learning Strategy

The module is delivered by means of formal and participative lectures supported by the use of case studies, reflecting the importance of finance in practical situations. Tutorials are also used to discuss financial management topics in greater depth and past examination papers with suggested solutions are introduced. Learners are expected to undertake significant reading and preparation before classes.

Module Assessment Strategy

Class work and directed assignments are allocated on a regular basis. Learners are required to complete the necessary assignments throughout the module. Learners are advised how to undertake the assignments both in terms of the research and the presentation format involved.

Assignments will account for 20% of the module marks. Learners are provided with a detailed case study and required to perform analyses covering a number of financial aspects. Learners are also required to submit a detailed report, summarising their findings together with other broader factors which should be considered. The remaining 80% is reserved for a closed book examination on module completion.

