2MEMS2 Finance  [5 credits]

Lecturer(s):  Mr. Conor O’Kelly (conorok@gmail.com)

Module organisation

<table>
<thead>
<tr>
<th>SEMESTER: 1</th>
<th>LECTURE/WEEK: 3</th>
<th>TUTORIALS/WEEK: 1</th>
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<tbody>
<tr>
<td>DURATION (WEEKS): 12</td>
<td>TOTAL: 33</td>
<td>TOTAL: 11</td>
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Module description, aims and contribution to programme

This module deals with financial decision making in the corporate setting. The course introduces the concept of the time value of money and applies a variety of structured criteria for the evaluation of projects in very concrete numerical terms. Investment is appraised in relation to cash flow and the analysis develops core principles of corporate finance. Central to both the text and course material are computational examples of how corporate treasurers and financial managers assess return and risk.

The module is both analytical and descriptive. It has a practical focus and introduces theory.

The aim of the module is to help students to understand the interface between a company and the financial markets and the influence of the latter on management’s decisions about investment, financing and operational matters.

Learning outcomes

On successful completion of this module, students will (be able to):

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<tr>
<th>Relevant PO/PA</th>
<th>Sample Questions</th>
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<tbody>
<tr>
<td>6a, 6b</td>
<td>2006 Q3</td>
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<tr>
<td>6a, 6b, 6e, 6f</td>
<td>2006 Q1,</td>
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<tr>
<td>6a, 6b</td>
<td>2006 Q4</td>
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1. Have an appreciation of the financial environment in which business operates.
2. Be aware of financial markets and their influence on decisions of business managers.
3. Have developed analytical capabilities with particular reference to the areas of investment decisions, financing decisions, dividend policy, mergers and acquisitions.
Module content

SYLLABUS

Part 1 – Introduction to Corporate Finance
- Balance Sheet, Income Statement, and Cashflow Statement
- Financial Statement Analysis
- Case Study

Part 2 – Basic Financial Calculations
- Time Value of Money
- Income Streams & Present Value
- Bond & Share Valuations

Part 3 – Investment Appraisal
- Methods of Investment Appraisal
- Evaluating Alternatives
- Case Study

Part 4 – Financial Planning
- Forecasting– pro forma statements
- Sources of Finance – Debt & Equity
- Short-Term Financial Management

Teaching Strategies

Assessment

End of Year Examination 60%
Continuous Assessment 40%

Students must achieve passing grade in BOTH continuous assessment AND final exam in order to pass the class.

Required textbook

Essential

**Recommended**


**Further Information**

Journal of Finance
Journal of Financial Economics
Harvard Business Review
Wall Street Journal
Irish Banking Review
Most of these journals can be accessed online through the library.

Web sites:

[www.bloomberg.com](http://www.bloomberg.com)
[www.investopedia.com](http://www.investopedia.com)
[www.prudentbear.com](http://www.prudentbear.com)
[www.yahoofinance.com](http://www.yahoofinance.com)
Additional relevant websites will be referred to in class.