

Course Title	Financial Management and Control				
Course Code	AEF310				
Course Type	Compulsory				
Level	Bachelor (1 st Cycle)				
Year / Semester	3 rd Year / 5 th Semester				
Teacher's Name	TBA				
ECTS	6	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	To develop knowledge and skills expected of a financial manager - relating to issues affecting investment, financing, and dividend policy decisions.				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Appraise and implement of different sources of short term and long term financing • Define the methods and incentives for and mechanics of issuing securities. • Explain the factors influence the determination of corporate dividend policy • Evaluate the cost of capital with the use of dividend valuation model, CAPM weighted average cost of capital method • Apply the principles of capital structure in the determination of the appropriate level of debt for a company • Describe and implement the different valuation models and explain the meaning & implications of efficient capital markets on stock evaluation. • Recognize, assess and risk manage foreign currency and interest rate risks. 				
Prerequisites	AEF135	Co-requisites	None		
Course Content	<p>1. Sources of finance</p> <p>Identify and discuss the range of short-term and long-term finance available to business. Identify and discuss methods of raising equity finance, such as right issue placing, public offer and stock exchange listing.</p> <p>2. Dividend Policy</p>				

Identify and discuss the internal sources of finance. Explain the relationship between dividend policy and financing decisions. Discuss the theoretical approaches to, and the particular influence on, the dividend decision.

3. Gearing and Capital Structure

Identify and discuss the problem of high levels of gearing. Assess the impact of sources of finance on financial position and financial risk using appropriate measures. Describe the financial needs of small business. Describe the nature of the financing problem of small business and explain measures that may be taken to ease this problem. Identify appropriate sources of financing for SMEs.

4. Cost of Capital

Describe the relative risk-return relationship and the costs of debt and equity. Describe the creditors' hierarchy and its connection with the relative costs of sources of financing. Estimate the cost of equity with the use of dividend growth model and Capital Asset Pricing Model and discuss advantages and disadvantages of both models. Estimate the cost of debt and other capital instruments. Estimate the overall cost of capital.

5. Capital Structure

Describe and explain the different capital structure theories and their assumptions. Explain the relationship between company value and cost of capital. Discuss the circumstances under which WACC can be used in investment appraisal. Apply the CAPM in calculating a project-specific discount rate.

6. Business Valuations

Identify and discuss the nature and purpose of the valuation of business and financial assets. Apply different models for the valuation of shares, debt and other financial assets.

7. Market Efficiency

Explain Efficient Market Hypothesis and discuss its practical consideration in the valuation of shares. Distinguish between the different forms of efficiency.

8. Foreign Currency Risk

Describe and discuss the nature and the different types of foreign currency risk. Describe the causes of exchange rate fluctuations. Discuss and apply traditional and basic methods of foreign currency management.

	<p>9. Interest Rate Risk</p> <p>Describe and discuss the different types of interest rate risk. Describe the causes of interest rate fluctuations. Discuss and apply traditional and basic methods of interest rate risk management.</p> <p>Recent developments and contemporary issues pertaining to the subject-matter of the course.</p>		
Teaching Methodology	Face to Face		
Bibliography	<p>BPP Notes for F5-ACCA, Latest Edition.</p> <p>Robert S Kaplan – “Advanced Management Accounting” – published by Prentice Hall, (latest edition)</p> <p>Colin Drury – Management and Cost Accounting” - published by Thomson Learning- (latest edition)</p> <p>Atrill, P & McLaney, E. (latest edition) Management Accounting for Decision Makers Financial Times, Prentice Hall.</p> <p>Drury, C. Cost and Management Accounting, Thomson.(latest edition)</p> <p>Relevant teaching material from the following organizations:</p> <p>ACCA - http://www.accaglobal.com/students</p> <p>BPP - http://www.bpp.com/acca/papers/f5/</p> <p>http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx</p> <p>Additional Readings (Journals)</p> <p>The Cost to Firms of Cooking the Books, https://doi.org/10.1017/S0022109000004221</p> <p>Book Review of Disruption in the Audit Market: The Future of the Big Four, Financial Failures & Scandals: From Enron to Carillion, and The Future of Auditing. https://doi.org/10.1111/ijau.12200</p>		
Assessment	Examinations	70%	
	Class Participation and Attendance	10%	
	Assignments	20%	
		100%	
Language	English		