

Course Syllabus

MASTER IN GOVERNANCE, RISK AND COMPLIANCE

Course Title	GRC 730 – PRINCIPLES AND PRACTICE OF FINANCE
ECTS Credits	10
Semester	Fall / Spring
Teaching Methodology	Face to face
Prerequisites	N/A
Language of Instruction	English

Learning Outcomes

This course will offer the basic principles involved in the process of financial decision-making and will develop an understanding of basic principles of finance in students by applying a practical approach. It will cover basic topics such as the time value of money, bond and stock markets, stock valuation, capital budgeting, as well as portfolio theory and construction.

On successful completion of this Course, students are expected to learn:

On successful completion of this programme, students are expected to:

- Demonstrate specialised knowledge of the main theoretical and practical concepts and models in the study of finance
- Acquire and develop critical understanding of the time value of money and how this must be incorporate in financial planning
- Develop the intellectual abilities required to tackle in relation to financial instruments and tools
- Analyse bonds and equities by reviewing in-depth their characteristics while understanding how the relevant markets function
- Monitor and assess information from a number of different primary and secondary data sources in order to support a position on financial planning needs to be conducted within a corporation
- Have a grasp of the basic stock valuation models
- Assess capital budgeting tools and understand their strengths and limitations
- Obtain a clear understanding of portfolio theory and utilise the knowledge attained to construct a basic portfolio
- Understand what 'sustainability' means, how it is linked with business ethics and why it is critical for firms to strive for sustainable development

Course Content

The Course will cover the following thematic areas:

- The Time Value of Money
- Interest Rates, Financial Markets, and the Economy
- Capital Markets and Firm-Specific Performance (Ratio Analysis)
- Valuation and characteristics of Bonds and Fixed-Income Securities
- Stocks characteristics and valuation methodologies
- Cost of capital, cost of equity and the dividend policy
- Capital Budgeting Techniques
- Introduction to Portfolio Theory
- Risk and Return, Diversification, and the CAPM
- Introduction to Options

Assessment Method

Exam (60%)
Essay (20%)
Group Project (10%)
Participation (10%)

Key References – Text Books

- Allen, F., Brealey, R. A., & Myers, S. C. (2020). *Principles of corporate finance*. McGraw-Hill (13th Edition) (*)
- Irons, R. (2019). *The fundamental principles of finance*. Routledge. (*)
- Mishkin, F. S., & Eakins, S. G. (2018). *Financial markets and institutions*. Pearson (9th Edition) (*).
- Hillier, D., Clacher, I., Ross, S., Westerfield, R., & Jordan, B. (2017). *Fundamentals of corporate finance* (3rd Edition) McGraw Hill (*)
- Besley, S., & Brigham, E. F. (2014). *Principles of finance*. Cengage Learning.
- Berk, J., DeMarzo, P., Harford, J., Ford, G., Mollica, V., & Finch, N. (2013). *Fundamentals of corporate finance*. Pearson Higher Education AU.
- Bodie, Z., Kane, A., & Marcus, A. (2013). *Essentials of investments: Global edition*. McGraw Hill.
- Burton, M., Nesiba, R. F., & Brown, B. (2015). *An introduction to financial markets and institutions*. Routledge.
- Damodaran, A. (2014). *Applied corporate finance*. John Wiley & Sons.
- Ferran, E., & Ho, L. C. (2014). *Principles of corporate finance law*. Oxford University Press.
- Melicher, R. W., & Norton, E. A. (2013). *Introduction to finance: Markets, investments, and financial management*. John Wiley & Sons.
- Pilbeam, K. (2018). *Finance and financial markets*. Bloomsbury Publishing.
- Reverre, S. (2019) *Introduction to Modern Finance*
- Ross, S. A., Westerfield, R., Jordan, B. D., & Biktimirov, E. N. (2004). *Essentials of corporate finance* (p. 656). McGraw-Hill/Irwin.
- Viney, C., & Phillips, P. (2019). *Financial institutions, instruments and markets*. McGraw-Hill Australia.
- Zutter, C. J., & Smart, S. B. (2019). *Principles of Managerial Finance: Brief*. Harlow, UK: Pearson.