

## **BUSI60043: Finance and Financial Management**

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### **MODULE AIMS**

The aim of this module is to enable you to understand one of the core purposes of finance: the setting of prices in a market. The first half of the module works at a market-level, dealing with risk-management and diversification. The second half of the module works at the security-level, thinking about bond, stock, and derivative valuation.

### **LEARNING OUTCOMES**

By the end of the module, you will be able to:

1. Analyse the interplay between value and risk for the most common financial instruments.
2. Interpret financial and economic news and policy with improved comprehension.
3. Discuss current financial issues intelligently and understand the financial mechanisms that cause prices to move.
4. Develop intuition for pricing models for stocks, bonds, and options.

### **MODULE CONTENT**

There are nine lecture blocks:

1. Institutional Background
2. Time Value of Money
3. Portfolio Selection
4. The Capital Asset Pricing Model (CAPM)
5. Arbitrage
6. Stock Valuation
7. Bond Valuation and Interest Rates
8. Introduction to Options
9. Valuation of Options
10. Review Session

### **ASSESSMENT**

- Final Exam – 55%
- Group Coursework – 35%
- Individual quizzes – 10%