

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

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Office Hours: Available by appointment

### **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 plus a review session:

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

### **Teaching Methods**

Teaching is delivered by 10 x 2 hour sessions. Sessions will normally be based on a combination of lectures, class discussion, group presentations, guest talks and case study analysis. This approach encourages the achievement of the various module learning outcomes by ensuring the acquisition of knowledge and facts, as well as the development of critical appreciation of the learnt theory and concepts and how these can be applied to real-world contexts.

### **Assessment**

- Individual Quizzes – 10%
- Group Assignment – 35%
- Final Examination – 55%