1. **Title of the module**

BUSN7650 (CB765): Corporate Finance

1. **Division or partner institution which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 5

1. **The number of credits and the ECTS value which the module represents**

15 Credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Autumn or Spring

1. **Prerequisite and co-requisite modules**

Prerequisites: BUSN3750 Fundamentals of Finance and Investments; BUSN3760 Introduction to Financial Markets and Instruments

1. **The programmes of study to which the module contributes**

BSc (Hons) Finance & Investments and associated courses

1. **The intended subject specific learning outcomes.
On successfully completing the module students will be able to:**
	1. Demonstrate knowledge and critical understanding of various practical issues related to capital budgeting techniques and the ability to apply these techniques in project appraisal under uncertainty.
	2. Demonstrate knowledge and critical understanding of portfolio theory and Capital Asset Pricing Model in the context of financial markets investments.
	3. Value debt and equity sources of finance as well as estimation of the cost of capital, all in the presence of taxes.

8.4 Demonstrate knowledge and critical understanding of various factors that affect dividend policy decision.

1. **The intended generic learning outcomes.
On successfully completing the module students will be able to:**
	1. Research, plan, and work independently.
	2. Communicate effectively to a variety of audiences and/or using a variety of methods.
	3. Apply quantitative and problem solving techniques to complete or abstract data.
	4. Critically evaluate arguments and assumptions and make judgements to offer alternative solutions.
2. **A synopsis of the curriculum**

This module advances the topics learnt in BUSN3750 Fundamentals of Finance and Investments. In this framework, the module considers the impact of inflation, capital rationing, and taxation in capital budgeting decisions along with the understanding and use of sensitivity analysis in the context of risk in project appraisal. It then proceeds to introduce risk free asset in portfolio formation and concludes with learning about Capital Asset Pricing Model. Students also learn about the impact of taxes on capital structure and weighted average cost of capital. The module also covers another (in addition to investment and financing decisions) major financial management decision, that is, the dividend policy of the firm. Finally, the students also learn about mergers and acquisitions in the context of corporate restructuring. In sum, this module aims to cover the following topics:

* Impact of inflation, capital rationing and taxation on investment appraisal and capital budgeting techniques
* Risk free rate, portfolio theory, and Capital Asset Pricing Model
* Impact of taxes on costs of different sources of finance
* Capital structure and weighted average cost of capital in the presence of taxes
* Dividend based valuation and factors affecting dividend decision
1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

Arnold, G. (2019) *Corporate Financial Management*, 6th Edition. London: Pearson Education

Berk, J.B. and Demarzo, P.M. (2019) Corporate Finance, 5th Edition. Harlow: Pearson Education.

Clayman, M.R., Fridson, M.S., Troughton, G.H., and Scanlan, M. (2012) *Corporate Finance: A Practical Approach*, 2nd Edition, CFA Institute Investment Series Set, Hoboken, N.J.: Wiley.

Hillier, D., Ross, S., Westfield, R., Jaffe, J., and Jordan, B. (2021) Corporate Finance, 4th European Edition, London: McGraw-Hill

McLaney, E. (2017) *Business Finance Theory and Practice*, 11th Edition, Harlow: Pearson Education

1. **Learning and teaching methods**

Total contact hours: 32

Private study hours: 118

Total study hours: 150

1. **Assessment methods**
	1. Main assessment methods

 VLE Test – 10%

 Group Report – 2000 Words: 20%

 Examination – two-hour: 70%

* 1. Reassessment methods

 100% Examination.

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** | *8.1* | *8.2* | *8.3* | *8.4* | *9.1* | *9.2* | *9.3* | *9.4* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |
| *Private Study* | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| *Lectures* | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| *Seminars* | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| **Assessment method** |  |  |  |  |  |  |  |  |
| *VLE Test* | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| *Group written report (2000 words)* | **X** | **X** | **X** | **X** |  | **X** | **X** | **X** |
| *Examination -* two-hour, unseen | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |

1. **Inclusive module design**

The Division recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Medway

1. **Internationalisation**

The module covers the topics which are practiced by managers all over the world under the finance and investment function of an organisation. The module is also relevant to prepare for CFA (Chartered Financial Analyst) exam ‘Corporate Finance’ which is an internationally recognised professional qualification.

**DIVISIONAL USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
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