



<b>Title:</b>	Financial Risk Management <b>APPROVED</b>
<b>Long Title:</b>	Financial Risk Management
<b>Module Code:</b>	FINA8008
<b>Duration:</b>	1 Semester
<b>Credits:</b>	5
<b>NFQ Level:</b>	Advanced
<b>Field of Study:</b>	Banking, Finance and Investment
<b>Valid From:</b>	Semester 1 - 2016/17 ( September 2016 )
<b>Module Delivered in</b>	<a href="#">1 programme(s)</a>
<b>Module Coordinator:</b>	Claire OSullivan Rochford
<b>Module Author:</b>	COLM BARRY-MURPHY
<b>Module Description:</b>	This module gives the student the skills to conduct a thorough evaluation of proposed capital investments, to calculate an organization's weighted average cost of capital and to incorporate risk & uncertainty assessment in their decision making process
<b>Learning Outcomes</b>	
<i>On successful completion of this module the learner will be able to:</i>	
LO1	Appraise proposed capital investments using a range of methodologies and advice on their suitability
LO2	Advise on an appropriate capital structure for the organisation based on its financing needs and targeted gearing ratio / weighted average cost of capital
LO3	Recognise, assess and risk manage foreign currency and interest rate risks
LO4	Explain & discuss the relationship between investment risk and return
LO5	Analyse financial statements across a number of industry sectors offering insight and analysis on performance & profitability
<b>Pre-requisite learning</b>	
<b>Module Recommendations</b> <i>This is prior learning (or a practical skill) that is strongly recommended before enrolment in this module. You may enrol in this module if you have not acquired the recommended learning but you will have considerable difficulty in passing (i.e. achieving the learning outcomes of) the module. While the prior learning is expressed as named MTU module(s) it also allows for learning (in another module or modules) which is equivalent to the learning specified in the named module(s).</i>	
11594	FINA8007 Advanced Financial Management
<b>Incompatible Modules</b> <i>These are modules which have learning outcomes that are too similar to the learning outcomes of this module. You may not earn additional credit for the same learning and therefore you may not enrol in this module if you have successfully completed any modules in the incompatible list.</i>	
No incompatible modules listed	
<b>Co-requisite Modules</b>	
No Co-requisite modules listed	
<b>Requirements</b> <i>This is prior learning (or a practical skill) that is mandatory before enrolment in this module is allowed. You may not enrol on this module if you have not acquired the learning specified in this section.</i>	
No requirements listed	

**Module Content & Assessment**

**Indicative Content**

**Investment Appraisal**

Net Present Values, Internal rate of return, taxation, inflation, lease or buy, asset replacement, capital rationing

**Capital Structure**

Gearing Structure, Modigliani & Miller, Weighted Average cost of capital, cost of equity, cost of debt, CAPM and dividend growth model

**Risk management**

Foreign currency risk, translation, transaction, matching, leading & lagging, forward contracts, hedging, synthetic hedges, Interest rate options

**Risk & return**

Portfolio theory, Systematic & unsystematic risk, Beta Factors, probabilities, decision trees, sensitivity analysis

**Financial statement analysis**

Ratios, Profitability, Liquidity, Growth, Earnings, Efficiency, Investment

Assessment Breakdown	%
Course Work	30.00%
End of Module Formal Examination	70.00%

**Course Work**

Assessment Type	Assessment Description	Outcome addressed	% of total	Assessment Date
Presentation	In class presentation (Brief given Week 5) for example 'For a multinational of your choice outline the capital structure and describe the elements of the Weighted Average Cost of Capital'	1,2	30.0	Week 8

**End of Module Formal Examination**

Assessment Type	Assessment Description	Outcome addressed	% of total	Assessment Date
Formal Exam	End-of-Semester Final Examination	1,2,3,4,5	70.0	End-of-Semester

**Reassessment Requirement**

**Repeat examination**

Reassessment of this module will consist of a repeat examination. It is possible that there will also be a requirement to be reassessed in a coursework element.

The institute reserves the right to alter the nature and timings of assessment

**Module Workload**

<b>Workload: Full Time</b>				
<i>Workload Type</i>	<i>Workload Description</i>	<i>Hours</i>	<i>Frequency</i>	<i>Average Weekly Learner Workload</i>
Lecture	Theory	4.0	Every Week	4.00
Independent & Directed Learning (Non-contact)	Study	3.0	Every Week	3.00
Total Hours				7.00
Total Weekly Learner Workload				7.00
Total Weekly Contact Hours				4.00

<b>Workload: Part Time</b>				
<i>Workload Type</i>	<i>Workload Description</i>	<i>Hours</i>	<i>Frequency</i>	<i>Average Weekly Learner Workload</i>
Lecture	Theory	2.0	Every Week	2.00
Independent & Directed Learning (Non-contact)	Study	5.0	Every Week	5.00
Total Hours				7.00
Total Weekly Learner Workload				7.00
Total Weekly Contact Hours				2.00

## Module Resources

### Recommended Book Resources

- Chartered Accountants Ireland 2014, *Finance Theory and Practice*, Third Ed., Chartered Accountants Ireland Dublin [ISBN: 9781908199485]

### Supplementary Book Resources

- Lawrence Cunningham 2001, *The Essays of Warren Buffett:Essays for Corporate America*, 1st Ed., Carolina Academic Press United States [ISBN: [ISBN: 10:0-9664461-1-9]]
- Brealey , Myers 2008, *Principles of Corporate Finance*, 8th Ed Ed., McGraw-Hill London [ISBN: [ISBN: 10: 0073130826]

### Supplementary Article/Paper Resources

- Myers, S.C. 1999, *The Search for Optimal Capital Structure*, The Revolution in Corporate Finance, 2nd Edition

### Other Resources

- Website: *Irish Stock Exchange*  
<http://www.ise.ie>
- Website: *BusinessWeek*  
<http://www.businessweek.com>
- Website: *Red Herring*  
<http://www.redherring.com>
- Website: *Financial Times*  
<http://www.ft.com>
- Website: *Forbes*  
<http://www.forbes.com>
- Website: *Siliconrepublic*  
<http://www.siliconrepublic.com>

**Module Delivered in**

Programme Code	Programme	Semester	Delivery
CR_BACCT_8	<a href="#">Bachelor of Business (Honours) in Accounting</a>	8	Mandatory