

FP056-15 Introduction to Finance

23/24

Department

Warwick Foundation Studies

Level

Foundation

Module leader

Virginia Sharpe

Credit value

15

Module duration

12 weeks

Assessment

100% coursework

Study location

University of Warwick main campus, Coventry

Description

Introductory description

This module is an introduction to the basic principles of finance and students will learn how these concepts are applied to financial decision making. Students will learn how incorporated firms are structured and how they interact with financial markets and institutions to invest and to raise finance to support the growth and diversification goals of the firm. The main financial statements of firms will be used to assess financial performance and methods of evaluating investment options, their associated risks and costs will be introduced.

[Module web page](#)

Module aims

To prepare students for undergraduate studies in Finance by introducing students to the core principles of finance:

- the role of finance in supporting the goals of the firm
- the business frameworks governing financial decision making
- the role of financial accounts in financial decision making
- sources of finance in the short, medium and long term
- investment appraisal and the time value of money
- the cost of capital and shareholder wealth

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

The syllabus will include the following topics:

- The role of finance in investment decision-making
- Financial Markets and Institutions
- Bond and Equity Markets
- Measuring financial performance:
 - interpreting accounts
 - performance ratios
 - managing working capital
- Investment appraisal and the time value of money
- Measuring risk and diversification
- Sources of finance
- Cost of capital

Learning outcomes

By the end of the module, students should be able to:

- Identify the variety of contexts in which financial decisions are made and explain the outcomes for stakeholders.
- Evaluate the operational performance of firms using ratio analysis to interpret firms' financial statements and communicate findings.
- Use financial modelling skills to recommend an investment opportunity by (i) Evaluating investment opportunity options using a variety of investment appraisal techniques, interpret the results and their sensitivity to change. (ii) Estimating the cost of capital for investment opportunity options.
- Compare and contrast the main sources of financing for a firm in the short, medium and long term.
- Evaluate a variety of real world financial scenarios, requiring the application mathematics, business and economics.

Indicative reading list

McLaney, F. 2016 Business Finance, Theory and Practice, 10th edn, Harlow, Pearson
Vernimmen, P., Quiry, P., Dallochio, M., Le Fur, Y., Salvi, A. (2017) Corporate Finance Theory and Practice 5th edn, Chichester John Wiley & Sons.
Mishkin, F. and Eakins, S. 2017 Financial Markets and Institutions, 9th ed., Pearson
Atrill, P and McLaney E. (2020) Accounting and Finance for Non-Specialists, 11th edition, Harlow, Pearson

[View reading list on Talis Aspire](#)

Interdisciplinary

Links to business, microeconomics, macroeconomics (global economy) and mathematics

Subject specific skills

Application of mathematics to analyse financial performance
Application of mathematical models to evaluate investment options
Interpretation and analysis of financial data

Transferable skills

Development of a range of skills in the application of mathematics
Development of analytical and evaluative skills to improve critical thinking

Study

Study time

Type	Required
Lectures	12 sessions of 1 hour (8%)
Seminars	36 sessions of 1 hour (24%)
Online learning (independent)	12 sessions of 3 hours (24%)
Private study	36 hours (24%)
Assessment	30 hours (20%)
Total	150 hours

Private study description

Set readings in preparation for lecture and seminars. Weekly set tasks and appointments with staff. Revision for summative assessments and pre-released case study.

Costs

No further costs have been identified for this module.

Assessment

You must pass all assessment components to pass the module.

Assessment group A2

	Weighting	Study time
Financial Performance Report	50%	15 hours
The focus of the first summative assessment will be an analysis and evaluation of the financial performance of a firm using a variety of resources, including financial accounts. The assessment will be a written report submitted to Tabula.		
Problem based learning tasks with pre-released case study	50%	15 hours
Students will be provided with a pre-released case study that will form the basis of their second summative assessment, which will be a 90 minute test.		

Feedback on assessment

Tabula, face to face meetings as required.

Availability

Courses

This module is Core for:

- Year 1 of FIOE Warwick International Foundation Programme