ST235-15 Finance & Financial Reporting

25/26

Department
Statistics
Level
Undergraduate Level 2
Module leader
Joan Nakato
Credit value
15
Module duration
10 weeks
Assessment
Multiple
Study location
University of Warwick main campus, Coventry

Description

Introductory description

The module considers financial statements, their analysis and interpretation and develops knowledge of corporate finance including how companies raise finance and mange financial risk.

This module is used to determine the exemption eligibility for certain Institute and Faculty of Actuaries (IFoA) business modules. (Independent application to the IFoA may be required for exemption.)

Module web page

Module aims

The aims of the module are:

1. Introduce student to corporate governance and the financial statements of companies and financial institutions.
2. Develop skills in the analysis and interpretation of financial statements.
3. Develop knowledge of corporate finance, including capital project appraisal and the

instruments used by companies to raise finance and manage financial risk.

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.

This module covers the following topics:

1. Corporate governance and company ownership.
2. Preparation of financial statements, including basic principles of corporate taxation.
3. Analysis and interpretation of financial statements.
4. Capital project appraisal.
5. Financial instruments.
6. The cost of capital.
7. Optimal capital structure.
8. Financial institutions and growth of companies.

Learning outcomes

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

- Describe the principles of corporate governance and its role in corporate finance.
- Prepare the statements of profit or loss, financial position and cashflows including consideration of basic principles of personal and corporate taxation.
- Analyse and interpret financial statements, providing appropriate conclusions to different stakeholders.
- Appraise capital projects and recommend an investment decision.
- Describe the structure of a company and the principal forms of financial instruments it uses to raise finance and manage risk.
- Analyse how a company’s cost of capital interacts with the nature of the investment projects it undertakes.
- Analyse the factors considered by a company when deciding on its capital structure and dividend policy.

Indicative reading list

Reading lists can be found in Talis

Interdisciplinary

Students learn beyond the boundary of statistics and probability connecting their learning with the professional expectations of the chartered professional body dedicated to educating, developing and regulating actuaries based both in the UK and internationally.

Subject specific skills

Demonstrate facility with mathematical, probabilistic and statistical methods.

Select and apply appropriate mathematical and/or statistical techniques.

Demonstrate knowledge of key mathematical and statistical concepts, both explicitly and by applying them to the solution of finance and financial problems.

Create structured and coherent arguments communicating them in written form.

Reason critically, carefully, and logically and derive judgements to support recommendations.

Transferable skills

Problem solving: Use rational and logical reasoning to deduce appropriate and well-reasoned conclusions. Retain an open mind, optimistic of finding solutions, thinking laterally and creatively to look beyond the obvious. Know how to learn from failure.

Self awareness: Reflect on learning, seeking feedback on and evaluating personal practices, strengths and opportunities for personal growth.

Written Communication: Present arguments, knowledge and ideas, in a range of formats.

Verbal communication: Students will engage with the module leader and peers in dialogue concerning questions from the module.

Professionalism: Prepared to operate autonomously. Aware of how to be efficient and resilient. Manage priorities and time. Self-motivated, setting and achieving goals, prioritising tasks.

Study

Study time

Type	Required	Optional
Lectures	30 sessions of 1 hour (30%)	2 sessions of 1 hour
Private study	70 hours (70%)	
Total	100 hours	

Private study description

Weekly revision of lecture notes and materials, wider reading and practice exercises working on problem sets and preparing for the examination.

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group D1

	Weighting	Study time	Eligible for self-certification
Computer Based Assessment 1	10%	15 hours	Yes (waive)
Computer based assessment which will take place at a fixed time during the term that the module is delivered.			
Computer Based Assessment 2	10%	15 hours	Yes (waive)
Computer based assessment which will take place at a fixed time during the term that the module is delivered.			
Centrally-timetabled examination (On-campus)	80%	20 hours	No
The examination paper will consist entirely of compulsory questions.			

- Answerbook Pink (12 page)
- Students may use a calculator

Assessment group R1

	Weighting	Study time	Eligible for self-certification
In-person Examination - Resit	100%		No
The examination paper will consist entirely of compulsory questions.			

- Answerbook Pink (12 page)
- Students may use a calculator

Feedback on assessment

Once a test is complete feedback on correct/incorrect responses will be provided. Comments on individual test responses will be provided within 20 university working days (4 weeks) of the class test.

Solutions and cohort level feedback will be provided for the examination.

Past exam papers for ST235

Availability

Anti-requisite modules

If you take this module, you cannot also take:

- IB133-15 Foundations of Accounting
- IB2D3-15 Accounting in Practice

Courses

This module is Optional for:

- Year 3 of USTA-G300 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics

This module is Option list A for:

- Year 3 of USTA-G300 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics
- Year 3 of USTA-G301 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics (with Intercalated
- Year 2 of USTA-G1G3 Undergraduate Mathematics and Statistics (BSc MMathStat)
- Year 2 of USTA-GG14 Undergraduate Mathematics and Statistics (BSc)
- Year 2 of USTA-G140 Undergraduate Mathematics and Statistics (MMathStat)
- Year 3 of USTA-Y602 Undergraduate Mathematics,Operational Research,Statistics and Economics
- Year 4 of USTA-Y603 Undergraduate Mathematics,Operational Research,Statistics,Economics (with Intercalated Year)

This module is Option list B for:

- Year 4 of UMAA-G105 Undergraduate Master of Mathematics (with Intercalated Year)
- USTA-G300 Undergraduate Master of Mathematics,Operational Research,Statistics and Economics
    - Year 2 of G300 Mathematics, Operational Research, Statistics and Economics
    - Year 2 of Y602 Mathematics,Operational Research,Stats,Economics
    - Year 3 of G300 Mathematics, Operational Research, Statistics and Economics
- UMAA-G100 Undergraduate Mathematics (BSc)
    - Year 2 of G100 Mathematics
    - Year 3 of G100 Mathematics
- UMAA-G103 Undergraduate Mathematics (MMath)
    - Year 2 of G100 Mathematics
    - Year 2 of G103 Mathematics (MMath)
    - Year 3 of G100 Mathematics

    - Year 3 of G103 Mathematics (MMath)
- Year 2 of UMAA-G1NC Undergraduate Mathematics and Business Studies
- Year 2 of UMAA-GL11 Undergraduate Mathematics and Economics
- Year 3 of USTA-GG14 Undergraduate Mathematics and Statistics (BSc)
- Year 4 of UMAA-G101 Undergraduate Mathematics with Intercalated Year
- Year 2 of USTA-Y602 Undergraduate Mathematics,Operational Research,Statistics and Economics

This module is Option list D for:

- Year 3 of USTA-G1G3 Undergraduate Mathematics and Statistics (BSc MMathStat)
- Year 4 of USTA-G1G4 Undergraduate Mathematics and Statistics (BSc MMathStat) (with Intercalated Year)
- Year 3 of USTA-G140 Undergraduate Mathematics and Statistics (MMathStat)
- Year 4 of USTA-G141 Undergraduate Mathematics and Statistics (MMathStat) (with Intercalated Year)