**FEDERAL STATE BUDGET EDUCATIONAL INSTITUTION OF HIGHER EDUCATION**

**M.V.LOMONOSOV MOSCOW STATE UNIVERSITY**

FACULTY OF ECONOMICS

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| «APPROVED»Dean, Faculty of EconomicsProfessor \_\_\_\_\_\_\_\_\_\_\_\_\_ А.А.Аuzan« » ……….. 2017 |
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**COURSE SYLLABUS**

**Financial management (in English)**

Level of higher education

***Master***

Main field of study for the qualification (specialization)

***38.04.08 Finance and credit***

Profile of the master program

***International corporate reporting and auditing***

Mode of study

***Full-time***

Course Syllabus is considered and approved

*by the Educational-Methodological Committee of the Faculty of Economics*

(minutes №3, 27 June 2011)

Moscow 2017

The course syllabus is developed in accordance with the self-established MSU educational standard (ES MSU) for implemented main professional educational programs of higher education for Master’s degree in the field of study «38.04.08 Finance and credit»

**ES MSU is approved by the decision of MSU Academic Council dated 27 June 2011 (minutes №3), with adjustments.**

Year (years) of enrollment: 2017 and forthcoming

1. **Place and status of the course in the Master’s programme**

Type of the course: *variative*

Trimester: 4

1. **Course Prerequisites**

*This discipline is based on the knowledge and skills acquired as a result of studying following disciplines:*

* “Business and finance”
* “Financial accounting and reporting”
* “International financial accounting and reporting”
* English Knowledge of professional (accounting) English
1. **Intended learning outcomes (ILO) of the course associated to the required competencies of the graduates**

|  |  |
| --- | --- |
| **Competencies being formed** | **Intended learning outcomes of the course associated to the required competencies of the graduates** |
| М.ОПК – 3. Способность применять продвинутые инструментальные методы экономического, финансового и статистического анализа в том числе, с использованием интеллектуальных информационно-аналитических систем для решения практических и (или) исследовательских задач в финансовой области.  | М. ОПК-3. Зн.1. Знать современные математические и эконометрические методы, используемые в прикладных и (или) фундаментальных финансовых исследованиях. М. ОПК-3. Ум.1. Уметь обоснованно отбирать и эффективно применять инструментальные методы для решения практических и (или) исследовательских задач в финансовой области.  |
| М.ПК-1. Способность владеть методами аналитической работы, связанными с финансовыми аспектами деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления.  | М. ПК-1. Зн.1. Знать основные методы аналитической работы, связанные с финансовыми аспектами деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления.  М. ПК-1. Ум.1. Уметь обрабатывать аналитическую информацию (массивы данных и расчетов), связанную с финансовыми аспектами деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления. М. ПК-1. Ум.2. Уметь оценивать аналитическую информацию для принятия рациональных или эффективных решений в области финансовой деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления.   |
| М.ПК-4. Способность провести анализ и дать оценку существующих финансово-экономических рисков, составить и обосновать прогноз динамики основных финансово-экономических показателей на микро-, макро- и мезоуровне.  | М. ПК-4. Зн.1. Знать основные подходы к оценке и анализу финансово-экономических рисков и способы прогнозирования динамики основных финансово-экономических показателей на микро-, макро- и мезауровне.  М. ПК-4. Ум.1. Уметь оценивать и анализировать финансово-экономические риски и прогнозировать динамику основных финансово-экономических показателей на микро-, макро- и мезоуровне.   |
| M.SPC-1. Ability to analyze financial, economic, organizational, administrative and legal aspects of organizations. | M.SPC-1. Um. 1. Analyze key issues in financial, economic, organizational, managerial and legal activities of the organization and take appropriate decisions. |
| M.SPK-3. The ability to make management decisions in the field of organization management based on analysis of corporate reporting and the formation of scenarios for the development of the economic situation, development of management decisions in the field of financial management. | M. SPK-3. Um. 1. Able to make management decisions, form scenarios for the development of the economic situation, develop management decisions based on analysis of corporate reporting. |
| M.SPK-4. Audit companies, assessment of their impact on the risks associated with financial and financial reporting. | M. SPK-4. Um. 1. Identify the main risks of the audited company.M. SPK-4. Um. 2. Assess the main risks and their impact on the financial and management reporting of the audited company |
| M-SPK-5. Ability to provide consulting services to organizations of various legal forms. | M. SPK-5. Um. 1. Provide consulting services in terms of financial accounting and reporting of the company and information and methodological support of the audit. |

1. **Workload of the course and types of activity**

The workload of the discipline is 3 ECTS: 108 academic hours, including 52 - academic hours of contact work with a professor, out of which 38 academic hours of classroom work, 0 academic hours of group consultations, 24 academic hours of individual consultations, 56 academic hours – self-directed studies.

1. **Learning format:** ‘ON.ECON’ electronic information environment of the Faculty of Economics of Moscow State University is used.
2. **Content of the course structured by topics (modules) indicating the number of academic hours allocated to them and types of training**

|  |  |  |
| --- | --- | --- |
| **Section/topic title** | Total, hours | **Including** |
| Contact work with a professor | Self-directed studies, hours |
| Classroom work, hours | Group, hours | Individual, hours |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Topic 1. Financing options Students will be able to identify capital requirements of businesses and assess financing options. | 16  | 4  | -  | 4  | 8  |
| Topic 2. Financing options Students will be able to identify capital requirements of businesses and assess financing options (continued). | 16  | 4  | -  | 4  | 8  |
| Topic 3. Managing financial risk Students will be able to identify the main price and overseas trading risks facing a business and the principal methods of managing those risks. | 16  | 4  | -  | 4  | 8  |
| Topic 4. Managing financial risk Students will be able to identify the main price and overseas trading risks facing a business and the principal methods of managing those risks (continued). | 16  | 4  | -  | 4  | 8  |
| Topic 5. Investment decisions and valuation Students will be able to apply investment appraisal techniques and calculate the value of shares and businesses. | 16  | 4  | -  | 4  | 8  |
| Topic 6. Investment decisions and valuation Students will be able to apply investment appraisal techniques and calculate the value of shares and businesses (continued). | 12  | 4  | -  | 4  | 6  |
| Final check: written exam | 14  | 4  | **-**  | -  | 10  |
| **Total** | **108**  | **28**  | **-**  | **24**  | **56**  |

**Structure and content of the course**

**Topic 1. Financing options Students will be able to identify capital requirements of businesses and assess financing options.**

1. explain the general objectives of financial management, understand and apply the fundamental principles of financial economics and describe the financial strategy process for a business;

2. explain the roles played by different stakeholders, advisors and financial institutions in the financial strategy selected by a business and identify possible conflicts of objectives;

3. evaluate the ethical implications of an entity’s financial strategy (including those for the organisation, individuals and other stakeholders) and suggest appropriate courses of action to resolve any ethical dilemmas that may arise;

4. describe the impact of financial markets (including their efficiency) and other external factors on a business’s financial strategy, using appropriate examples to illustrate the impacts

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**Topic 2. Financing options Students will be able to identify capital requirements of businesses and assess financing options (continued).**

1. describe the implications of terms included in loan agreements in a given scenario (eg, representations and warranties; covenants; guarantees);

2. calculate and interpret the costs of different sources of finance (before and after tax) and the weighted average cost of capital;

3. explain, in non-technical terms and using appropriate examples, the effect of capital gearing both on investors’ perception of risk and reward and the weighted average cost of capital; h. calculate and justify an appropriate discount rate for use in an investment appraisal taking account of both the risk of the investment and its financing;

4. compare the features of different means of making returns to lenders and owners (including dividend policy), explain their effects on the business and its stakeholders, and recommend appropriate options in a given scenario;

5. forecast the capital requirements for a business taking into account current and planned activities and/or assess the suitability of different financing options to meet those requirements, comparing the financing costs and benefits, referring to levels of uncertainty and making reasonable assumptions which are consistent with the situation; and k. draft a straightforward investment and financing plan for a given business scenario.

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**Topic 3. Managing financial risk Students will be able to identify the main price and overseas trading risks facing a business and the principal methods of managing those risks.**

1. identify and describe the key price risks facing

2. business in a given scenario;

3. explain how financial instruments (eg derivatives, hedging instruments) can be used to manage price risks and describe the characteristics of those instruments.

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**Topic 4. Managing financial risk Students will be able to identify the main price and overseas trading risks facing a business and the principal methods of managing those risks (continued).**

1. explain different methods of managing interest rate risk appropriate to a given situation and perform non-complex calculations to determine the cost of hedging that risk;

2. explain different methods of managing currency risks appropriate to a given situation and perform non-complex calculations to determine the cost of hedging that risk;

3. explain different methods of managing share price risk and perform non-complex calculations to determine the cost of hedging that risk; and f. explain the additional risks of trading abroad and outline the methods available for reducing those risks.

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**Topic 5. Investment decisions and valuation Students will be able to apply investment appraisal techniques and calculate the value of shares and businesses.**

1. outline the investment decision making process and explain how investment decisions are linked to shareholder value;

2. select appropriate values to be used in an investment appraisal from information supplied, taking account of relevant cash flows, inflation and tax;

3. calculate and discuss the sensitivity of an investment decision to changes in the input factors; d. discuss how the interpretation of results from an investment appraisal can be influenced by an assessment of risk;

4. recognise how the results of the appraisal of projects are affected by the accuracy of the data on which they are based and strategic factors (such as real options) which could not be included in the computational analysis.

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**Topic 6. Investment decisions and valuation Students will be able to apply investment appraisal techniques and calculate the value of shares and businesses (continued).**

1. identify in the business and financial environment factors that may affect investment in a different country;

2. calculate the optimal investment plan when capital is restricted;

3. recommend and justify a course of action which is based upon the results of an investment appraisal and consideration of relevant non-financial factors such as sustainability and which takes account of the limitations of the techniques being used; and

4. describe options for reconstruction, eg, merger, takeover, spin-off, purchase of own shares and value shares and businesses using income and asset based approaches.

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

1. **Assessment tools for the current and midterm assessment of the learning outcomes**

**Scale for assessment of the learning outcomes of the course:**

|  |  |
| --- | --- |
| **Learning outcomes of the course** | **Types of assessment tools** |
| М. ОПК-3. Зн.1. Знать современные математические и эконометрические методы, используемые в прикладных и (или) фундаментальных финансовых исследованиях. М. ОПК-3. Ум.1. Уметь обоснованно отбирать и эффективно применять инструментальные методы для решения практических и (или) исследовательских задач в финансовой области. М. ПК-1. Зн.1. Знать основные методы аналитической работы, связанные с финансовыми аспектами деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления. М. ПК-1. Ум.1. Уметь обрабатывать аналитическую информацию (массивы данных и расчетов), связанную с финансовыми аспектами деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления. М. ПК-1. Ум.2. Уметь оценивать аналитическую информацию для принятия рациональных или эффективных решений в области финансовой деятельности компаний разной отраслевой принадлежности и различных организационно-правовых форм, в том числе финансово-кредитных, органов государственной власти и местного самоуправления. М. ПК-4. Зн.1. Знать основные подходы к оценке и анализу финансово-экономических рисков и способы прогнозирования динамики основных финансово-экономических показателей на микро-, макро- и мезауровне. М. ПК-4. Ум.1. Уметь оценивать и анализировать финансово-экономические риски и прогнозировать динамику основных финансово-экономических показателей на микро-, макро- и мезоуровне.  | Work in the classroom (discussions, questionnaires, analysis of tests, situations, tasks solving).  |
| М. ПК-4. Зн.1. Знать основные подходы к оценке и анализу финансово-экономических рисков и способы прогнозирования динамики основных финансово-экономических показателей на микро-, макро- и мезауровне.  М. ПК-4. Ум.1. Уметь оценивать и анализировать финансово-экономические риски и прогнозировать динамику основных финансово-экономических показателей на микро-, макро- и мезоуровне. SPC-1. Um. 1. Analyze key issues in financial, economic, organizational, managerial and legal activities of the organization and take appropriate decisions.M. SPK-3. Um. 1. Able to make management decisions, form scenarios for the development of the economic situation, develop management decisions based on analysis of corporate reporting.M. SPK-4. Um. 1. Identify the main risks of the audited company. M. SPK-4. Um. 2. Assess the main risks and their impact on the financial and management reporting of the audited companyM. SPK-5. Um. 1. Provide consulting services in terms of financial accounting and reporting of the company and information and methodological support of the audit. | Current check: written workFinal check: written exam |

|  |  |
| --- | --- |
| **Types of assessment tools** | **Scores** |
| Work in the classroom (discussions, questionnaires, analysis of tests, situations, tasks solving).  | 50  |
| Current check: written work | 70  |
| Final check: written exam | 30  |
| Total | **150**  |

**The final assessment on discipline is done on the basis of the following criteria:**

|  |  |  |
| --- | --- | --- |
| **Final grade** | **Minimum score** | **Maximum score** |
| *Excellent* | 127,5  | 150  |
| *Good* | 97,5  | 127  |
| *Satisfactory* | 60  | 97  |
| *Failed*  | 30  | 59  |

**Comment:** in case student’s scores obtained during the trimester are less than 20% of the maximum score of the discipline the following rule of passing the course should be applied at the midterm assessment (and further re-examination): ‘a student can obtain only a satisfactory mark and only in case he/she receives for the midterm assessment, including all the course material, not less than 85% of the score allocated to this assessment’.

Typical tasks, guidelines for their preparation and requirements for their implementation

Examples of tasks performed in the classroom as part of the contact work

General description:

The course is based on studying the original textbook and performing the tasks specified in the text, and the exercises from the collection of exercises prepared by ICAEW in English. For each topic studied, certain chapters / sections of the textbook are prescribed, which should be read before discussing the topic in the class (general classroom work), as well as after discussion, before independently solving the exercises from the collection.

Tasks of this type are carried out during contact work in relation to individual students or groups of students for a limited time (set by the teacher) in the form of oral interviews, discussions, analysis of situations.

Examples of tasks performed as part of the current certification in sections:

The tasks of this type are carried out by the student individually in written and / or electronic form, using the electronic information environment system of the Faculty of Economics of Moscow State University named after MV Lomonosov “ON.ECON”. Written assignments are conducted on the basis of multiple choice situations with a solution. Tasks go through all the material. Successful writing of works requires not only studying contact lesson materials, but also recommended literature. Full-time student presence is required.

1. Your friend asked you to clarify questions regarding newspaper articles that he recently read:

Issue (1)

He owns 7,000 shares of Bettalot plc (Bettalot), a betting and gambling company. He has the following and is not sure what the consequences are:

“Yesterday, Bettalot announced the release of one in two rights at 95 pence per share to raise 285 million pounds to reduce the level of financial equipment. The rights issue price is a discount of 24% of the current market value of Bettalot ordinary shares. The company's current liquidity ratio is 9.6, and all the money raised will be used for redemption. Debt securities with a coupon rate of 8%”.

Required to calculate: the impact of the issue of rights on Bettalot earnings per share.

Examples of demonstration materials on intermediate certification - written work

The tasks of this type are carried out by the student individually in written and / or electronic form, using the electronic information environment system of the Faculty of Economics of Moscow State University named after MV Lomonosov “ON.ECON”. Final certification (written work) is carried out in the form of solving problems on the basis of the issued assignment. Written work goes through all the material. Successful writing of a written work requires not only the study of contact lesson materials, but also the recommended literature. Full-time student presence is required.

1. Your friend asked you to clarify questions regarding newspaper articles that he recently read:

Issue (2)

He owns 7,000 shares of Bettalot plc (Bettalot), a betting and gambling company. He has the following and is not sure what the consequences are:

“Yesterday, Bettalot announced the release of one in two rights at 95 pence per share to raise 285 million pounds to reduce the level of financial equipment. The rights issue price is a discount of 24% of the current market value of Bettalot ordinary shares.

He read that some British investors have recently bought large amounts of equity bonds in companies that show signs of financial distress, as this gives these investors the opportunity to take control of companies from shareholders”.

- Required to calculate: the impact of the value of your friend’s shares and related income and explain briefly:

- Why Bettalot may wish to lower the level of financial equipment?

1. **Facilities, Equipment and Software**

**8.1. List of main and additional literature**

**Course literature**:

1. Financial management: Study manual. The Institute of Chartered Accountants in England and Wales  (ICAEW) 2017.

2. Financial management: Question bank. Question Bank. The Institute of Chartered Accountants in England and Wales (ICAEW) 2017.

**8.2. List of licensed software**

Package of Software ‘Microsoft Office’.

**8.3. List of professional databases and information referral systems**

Institutional subscription resources of the Faculty of Economics, MSU;

**8.4. List of Internet resources (if necessary)**

**www.icaew.com, www.minfin.ru**

**8.5. Description of material and technical support**

For the appropriate organization of classes the following equipment is needed: microphone, projector, flip chart, markers, Internet access, etc.

1. **Language of instruction:** English.
2. **Professor (professors):** Shkromuk L.U.
3. **Author (authors) of the course:** Shkromuk L.U., Zarandiya I.R.