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## MODULE DESCRIPTOR

### Module Title

Finance Theory

Reference	BSM002	Version	4
Created	April 2017	SCQF Level	SCQF 11
Approved	June 2013	SCQF Points	15
Amended	May 2017	ECTS Points	7.5

### Aims of Module

To impart to the students the ability to critically assess the theories and principles of finance and develop these theories to analyse the behaviour of financial markets and institutions.

### Learning Outcomes for Module

On completion of this module, students are expected to be able to:

- 1 Analyse and discuss in depth the development of the various theories and models underlying finance.
- 2 Critically assess and synthesise the theories and models of financial behaviour.
- 3 Evaluate and apply the relevant theories to analyse problems and issues in finance.

### Indicative Module Content

Efficient Market Theory, Capital Structure Theory, Agency Theory, Risk and Return, Portfolio Theory, CAPM, Arbitrage Pricing Theory, Dividend Policy, Corporate Control, Term structure of Interest Rates, Behavioral Finance, Derivative Pricing.

### Module Delivery

This is a lecture-based course supplemented by tutorials and directed learning.

### Indicative Student Workload

	Full Time	Part Time
Contact Hours	36	36
Non-Contact Hours	114	114
Placement/Work-Based Learning Experience [Notional] Hours	N/A	N/A
TOTAL	150	150
<i>Actual Placement hours for professional, statutory or regulatory body</i>		

**ASSESSMENT PLAN**

If a major/minor model is used and box is ticked, % weightings below are indicative only.

**Component 1**

Type: Examination Weighting: 100% Outcomes Assessed: 1, 2, 3  
 Description: Written examination

**MODULE PERFORMANCE DESCRIPTOR****Explanatory Text**

The module is assessed by one component: C1 - Examination - 100% weighting. Module Pass Mark = Grade D (40%)

Module Grade	Minimum Requirements to achieve Module Grade:
<b>A</b>	70% or above
<b>B</b>	60% - 69%
<b>C</b>	50% - 59%
<b>D</b>	40% - 49%
<b>E</b>	35% - 39%
<b>F</b>	0% - 34%
<b>NS</b>	Non-submission of work by published deadline or non-attendance for examination

**Module Requirements**

Prerequisites for Module None in addition to SCQF 11 entry requirement or equivalent.  
 Corequisites for module None.  
 Precluded Modules None.

**INDICATIVE BIBLIOGRAPHY**

- 1 BERK, J. and DeMARZO, P., 2022. *Corporate finance - the core*. 5th ed. Boston: Pearson
- 2 BREALEY, R. A., MYERS, S. C. and FRANKLIN, A., 2023. *Principles of corporate finance*. 14th ed. McGraw Hill
- 3 HILLIER, D., GRINBLATT, M. and TITMAN, S., 2023. *Financial markets and corporate strategy*. 3rd ed. McGraw-Hill
- 4 COPELAND, T. E., WESTON, J. F. and SHASTRI, K., 2014. *Financial theory and corporate policy*. 4th ed. Pearson