

## MODULE DESCRIPTOR

### Module Title

Finance Theory

Reference	BSM002	Version	6
Created	August 2021	SCQF Level	SCQF 11
Approved	July 2019	SCQF Points	15
Amended	August 2021	ECTS Points	7.5

### Aims of Module

The aim of this module is to enable students 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 Discuss in depth the development of the various theories and models underlying finance.
- 2 Critically evaluate the theories and models of financial behaviour.
- 3 Apply the relevant theories and models to analyse problems and issues in finance.
- 4 Discuss contemporary issues and current developments 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; behavioural 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	N/A
Non-Contact Hours	114	N/A
Placement/Work-Based Learning Experience [Notional] Hours	N/A	N/A
TOTAL	150	N/A
<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, 4  
 Description: Closed book examination.

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

Component 1 comprises 100% of the module grade. To pass the module, a D grade is required.

Module Grade	Minimum Requirements to achieve Module Grade:
A	A
B	B
C	C
D	D
E	E
F	F
NS	Non-submission of work by published deadline or non-attendance for examination

**Module Requirements**

Prerequisites for Module	None.
Corequisites for module	None.
Precluded Modules	None.

**INDICATIVE BIBLIOGRAPHY**

- 1 BERK, J. and DeMARZO, P., 2014. *Corporate finance - the core*. 3rd ed. Boston: Pearson
- 2 COPELAND, T. E., WESTON, J. F. and SHASTRI, K., 2005. *Financial theory and corporate policy*. 4th ed. Boston: Pearson Addison Wesley
- 3 GRINBLATT, M. and TITMAN, S., 2002. *Financial markets and corporate strategy*. 2nd ed. Boston: McGraw-Hill/Irwin
- 4 LUMBY, S. and JONES, C., 2015. *Corporate finance, theory and practice*. 9th ed. Cengage Learning
- 5 PIKE, R. and NEALE, B., 2012. *Corporate finance and investment, decisions and strategies*. 7th ed. Pearson Education