**Scheme of Work**

**COURSE:** ABE Level 6 Corporate Finance

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| **Element, Learning Outcome and assessment criteria** | **Session title** | **Topics covered** | **Approx.****Duration** | **Session Plan** | **Resource** | **Formative Activity** |
| E1 LO1 A/C 1.1 | Appraise the alternative role and purpose of corporate finance in order to decide how best to formulate a capital structure for the business | The role and purpose of corporate finance in order to decide how best to formulate a capital structure for the businessProblems in the measurement of shareholder wealth | 3-4 HOURS | 6UCF Session Plan E1 – Session 1 | 6UCF Presentation E1 | 6UCF E1 LO1 Activity 1 – Assess the objectives of financial management6UCF E1 LO1 Activity 2 – Agency theory and wealth maximisation |
| E1 LO1 A/C 1.2 | Critically analyse the roles played by different stakeholders, different types of risk and alternative approaches to business strategy when selecting a capital structure that reflects the strategic objectives and strategic environment of the business | Porter’s Five Forces ModelMendelow Power-Interest matrixThe stakeholder theory of financial managementThe international context and capital structure | 3-4 HOURS | 6UCF Session Plan E1 – Session 2 | 6UCF Presentation E1 | 6UCF E1 LO1 Activity 3 – Stakeholder theory of financial management6UCF E1 LO1 Activity 4 – Stakeholder theory and Porter Five Forces Model6UCF E1 LO1 Activity 5 – Stakeholder theory and Mendelow’s Power-interest matrix6UCF E1 LO1 Activity 6 – The agency problem |
| E1 LO1 A/C 1.3 | Critically evaluate the alternative frameworks for the development of a capital structure to ensure that it is based on a sound conceptual and contemporary underpinning | Alternative frameworks for the development of a capital structurePecking order theoryContemporary issues in the formulation of capital structure | 3-4 HOURS | 6UCF Session Plan E1 – Session 3 | 6UCF Presentation E1 | 6UCF E1 LO1 Activity 7 – Perfect Markets |
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| E2 LO2A/C 2.1 | Compare alternative approaches to sources of equity and debt in relation to the strategic objectives and strategic environment of the business | Alternative approaches to sources of equity and debtThe matching principle of financeThe cost of capital | 3-4 HOURS | 6UCF Session Plan E2 – Session 1 | 6UCF Presentation E2 | 6UCF E2 LO2 Activity 1 – Alternative approaches to sources of equity and debt6UCF E2 LO2 Activity 2 – Source of finance |
| E2 LO2A/C 2.2 | Critically evaluate the impact of the use of a range of equity and debt financing on business’s financing structure | Sources of finance and how they relate to strategic objectives and strategic environmentInternal and external sources of financeTypes of debt financingAdvantages and disadvantages of different sources of equity and debt financing | 3-4 HOURS | 6UCF Session Plan E2 – Session 2 | 6UCF Presentation E2 | 6UCF E2 LO2 Activity 3- Types of external financing6UCF E2 LO2 Activity 4 – Loan financing6UCF E2 LO2 Activity 5 – Bond financing6UCF E2 LO2 Activity 6 – Equity or debt |
| E2 LO2A/C 2.3 | Apply criteria and decision-making frameworks in equity and debt financing | Pecking order theoryModels of financial distress | 3-4 HOURS | 6UCF Session Plan E2 – Session 3 | 6UCF Presentation E2 | 6UCF E2 LO2 Activity 7 – Different types of risk |
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| E3 LO3 A/C 3.1 | Critically evaluate the alternative approaches to the valuation of equity | The cost of capitalThe capital asset pricing model (CAPM)Capital asset pricing model (CAPM): evaluation | 3-4 HOURS | 6UCF Session Plan E3 – Session 1 | 6UCF Presentation E3 | 6UCF E3 LO3 Activity 1 – Types of debt financing6UCF E3 LO3 Activity 2 – Capital asset pricing model6UCF E3 LO3 Activity 3 – Critical Evaluation of CAPM |
| E3 LO3 A/C 3.2 | Apply appropriate methods for the calculation of the cost of capital in order to provide a basis on which strategic financing and investment decisions can be made | Dividend valuation model (DVM) (1)Dividend valuation model (DVM) (2)Weighted average cost of capital | 3-4 HOURS | 6UCF Session Plan E3 – Session 2 | 6UCF Presentation E3 | 6UCF E3 LO3 Activity 4 – Key features of dividend valuation model6UCF E3 LO3 Activity 5 – Dividend valuation model and Gordon’s Growth Model6UCF E3 LO3 Activity 6 – Weighted average cost capital |
| E3 LO3 A/C 3.3 | Critically evaluate the effects of different types of risk on the cost of capital by applying techniques that reflect the strategic environment in which the business operates | Techniques for the evaluation of financial riskAlternative approaches to the calculation of the cost of capital: Adjusted present value (APV)The flow to equity method | 3-4 HOURS | 6UCF Session Plan E3 – Session 3 | 6UCF Presentation E3 | 6UCF E3 LO3 Activity 7 – Different types of risk6UCF E3 LO3 Activity 8 – Risk management techniques6UCF E3 LO3 Activity 9 – Adjusted present value |
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| E4 LO4 A/C 4.1 | Apply appropriate investment appraisal techniques | The nature, role and purpose of the equity and debt marketsThe nature and characteristics of different investment appraisal techniquesApplication of investment appraisal techniques | 3-4 HOURS | 6UCF Session Plan E4 – Session 1 | 6UCF Presentation E4 | 6UCF E4 LO4 Activity 1 – Investment appraisal6UCF E4 LO4 Activity 2 – Nature and Characteristics of investment appraisal techniques6UCF E4 LO4 Activity 3 – Evaluation of investment appraisal techniques |
| E4 LO4 A/C 4.2 | Apply advanced investment appraisal techniques that take account of cash flows, taxation and inflation in ways that reflect the strategic environment in which the business operates | Cash flows, taxation and inflation in investment appraisalInvestment appraisal and tax shields | 3-4 HOURS | 6UCF Session Plan E4 – Session 2 | 6UCF Presentation E4 | 6UCF E4 LO4 Activity 4 – Calculation of payback, ARR and NPV6UCF E4 LO4 Activity 5 – Investment appraisal case study6UCF E4 LO4 Activity 6- Modifications to the net present value technique |
| E4 LO4 A/C 4.3 | Critically evaluate a range of investment appraisal techniques in order to ensure that their use by the business reflects a critical understanding of how decisions might be affected by the features of different techniques  | Advantages and disadvantages of different investment appraisal techniquesNon-financial factors and their importance in investment decision making | 3-4 HOURS | 6UCF Session Plan E4 – Session 3 | 6UCF Presentation E4 | 6UCF E4 LO4 Activity 7 – Non-financial factors |
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| E5 LO5 A/C 5.1 | Critically evaluate alternative perspectives on the role of ethics in corporate finance  | Wealth maximisationCorporate social responsibility and corporate finance | 3 HOURS | 6UCF Session Plan E5 – Session 1 | 6UCF Presentation E5 | 6UCF E5 LO5 Activity 1 – The nature of riskL6UCF E5 O5 Activity 2 – Wealth maximisation6UCF E5 LO5 Activity 3 – Corporate social responsibility |
| E5 LO5 A/C 5.2 | Critically evaluate alternative perspectives on the role of ethics in corporate finance | Corporate governance, legal, regulatory and professional requirementsEthics and integrity in financial management | 2-3 HOURS | 6UCF Session Plan E5 – Session 2 | 6UCF Presentation E5 | 6UCF E5 LO5 Activity 4- Corporate finance and ethics |
| E5 LO5 A/C 5.3 | Critically evaluate the role of corporate finance in mergers and acquisitions, and the market for ownership and control in a globalised environment | The role of corporate finance in mergers and acquisitionsMergers and acquisitionsPositive and negative effects of corporate finance in mergers and acquisitions | 2-3 HOURS | 6UCF Session Plan E5 – Session 3 | 6UCF Presentation E5 | 6UCF E5 LO5 Activity 5 – Mergers and acquisitions6UCF E5 LO5 Activity 6 – Corporate finance and the financial system6UCF E5 LO5 Activity 7 – Corporate finance and mergers and acquisitions |