



BANKING AND FINANCE

INSTITUTE FOR PROFESSIONAL AND EXECUTIVE DEVELOPMENT

United Kingdom

UNIT SPECIFICATION

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Unit Title

Banking and Finance

Credit value

The credit value for this unit is 30

30 credits equivalent to 300 hours of teaching and learning
(10 hours is equivalent to 1 credit)

Guided learning hours (GLH) = 50 hours

GLH includes lectures, tutorials and supervised study. This may vary to suit the needs and requirements of the learner and/or the approved centre of study.

Directed learning = 50 hours: This includes advance reading and preparation, group study, and undertaking research tasks.

Self-managed learning = 200 hours: This includes completing assignments and working through the core and additional reading texts. It also includes personal research reading via other physical and/or electronic resources.

Learning outcome Learner will:	Assessment criteria Learner can:
1.0 Understand the financial management function within the organization	1.1 Explain what is meant by financial management 1.2 Examine the key objectives of financial management 1.3 Evaluate the key elements to the process of financial management 1.4 Give an account on the decision function of management
2.0 Understand the concept of value creation and profit maximization in an organization	2.1 Examine the concept of profit maximization and value creation in a company 2.2 Examine the relevance of the Sarbanes-Oxley Act of 2002 2.3 Give an account on the agency theory
3.0 Understand the importance of financial management knowledge to a bank manager	3.1 Examine why a bank manager requires knowledge of financial management 3.2 Different between management reporting and financial reporting
4.0 Understand the nature of the financial services industry	4.1 Describe the functions of the different kinds of banks 4.2 Examine the roles of the financial system 4.3 Examine the leading competitors with banks 4.4 Discuss the roles banks play in the economy 4.5 Analyse the key trends affecting financial services firms
5.0 Understand how to analyse the financial performance of an organization	5.1 Explain the relevance of financial statement analysis 5.2 Examine the contents of a balance sheet, cash flow and an income statement.

	<p>5.3 Calculate and interpret the following liquidity, activity, leverage and profitability ratios</p> <p>5.4 Examine the advantages and limitations of ratio analysis</p> <p>5.5 Give an account on the main accounting concepts</p> <p>5.6 Examine the registers in a typical accounting system</p>
<p>6.0 Understand the financial environment in which businesses operate</p>	<p>6.1 Differentiate between money markets and capital markets</p> <p>6.2 Discuss the roles of different financial intermediaries</p> <p>6.3 Discuss the role of the stock exchange in the economic life of a country</p> <p>6.4 Describe the ways by which a new issue of shares may be placed before the public</p> <p>6.5 Describe the characteristics of ordinary shares, preference shares and debentures</p>
<p>7.0 Understand the micro and macro environmental factors that affect business operations.</p>	<p>7.1 Examine the micro environmental forces that engage with the organization</p> <p>7.2 Examine the macro environmental forces that affect business activities</p> <p>7.3 Analyse the stakeholder role of the local community</p> <p>7.4 Examine the business or economic cycles</p>
<p>8.0 Understand key issues relating to how a business is financed</p>	<p>8.1 Analyse the factors that influence the selection of the most appropriate type of finance for a business</p> <p>8.2 Analyse the characteristics of different types of funding (common stock, preference shares, options and warrants, debentures, bonds,</p>

<p>9.0 Understand the quantitative methods used in making investment decisions</p>	<p>convertibles, leasing, loans, factoring and overdrafts)</p> <p>9.1 Calculate the weighted average cost of capital (WACC) and interpret the outcome</p> <p>9.2 Examine the factors affecting the WACC</p> <p>9.3 Calculate the return required by investors using the capital asset pricing model (CAPM)</p> <p>9.4 Examine the key financial ratios that are relevant to investors</p> <p>9.5 Examine the factors that affect a company's share price</p>
<p>10.0 Understand the significance of investment appraisal</p>	<p>10.1 Explain what is meant by an investment appraisal</p> <p>10.2 Examine the business case process</p> <p>10.3 Analyse the contents of a business case</p>
<p>11.0 Understand the techniques used in capital budgeting</p>	<p>11.1 Explain what is meant by capital budgeting</p> <p>11.2 Explain how investment decisions can be made using payback period, net present value, discounted payback and internal rate of return</p>
<p>12.0 Understand the nature of working capital management</p>	<p>12.1 Explain what is meant by working capital management (net working capital and gross working capital)</p> <p>12.2 Examine the maturity matching approach to financing</p> <p>12.3 Examine short term and long term financing</p> <p>12.4 Explore the management of credit and collection policies</p> <p>12.5 Calculate and interpret the economic order quantity (EOQ)</p>

<p>13.0 Understand how the provision of loans can be effectively managed</p>	<p>12.6 Evaluate just-in-time system of inventory management</p> <p>13.1 Examine the key factors that shape an individual lender's loan portfolio</p> <p>13.2 Differentiate between the various types of loans provided by financial service firms</p> <p>13.3 Examine the steps in the lending process and evaluate their importance to the lending institution</p> <p>13.4 Analyse how the borrower's creditworthiness can be established prior to lending</p> <p>13.5 Describe how the loan agreement can be properly structured and documented</p> <p>13.6 Explain how a consumer loan application can be evaluated</p> <p>13.7 Analyse how the lender can perfect its claim against the borrower's earning and any assets that may be pledged as collateral</p> <p>13.8 Explore the sources of information that can be used in loan analysis and evaluation by lenders and loans committees</p> <p>13.9 Analyse the parts of a typical loan agreement</p> <p>13.10 Examine the significance of loan reviews and loan workouts to the lending institution</p>
<p>14.0 Understand the nature of international banking</p>	<p>14.1 Examine the operations of the different types of international banking organization</p> <p>14.2 Evaluate the importance of international banking regulations</p> <p>14.3 Describe the services provided by banks in international markets</p> <p>14.4 Analyse the challenges faced by international banking firms in foreign markets</p>

15.0 Understand the nature of mergers and acquisitions	15.1 Explain what is meant by an acquisition or a merger 15.2 Analyse the motives behind the rapid growth of financial services mergers 15.3 Discuss how a financial services institution can make a success of a merger
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Recommended learning resources

Indicative reading	<p>Peter S. et al 2010. Bank Management and Financial Services 8th Edition: McGraw Hill USA ISBN 978-007-126965-0</p> <ul style="list-style-type: none">• For a full list of textbooks and publications relevant to this unit, please contact IPED - UK.
Learning Aid	<ul style="list-style-type: none">• A comprehensive IPED study material is available to aid in learning and research of this unit.• We supply IPED course materials free of charge. Our study materials, which offer quick learning start, are comprehensive, use simple English, and are easy to read and understand. The contents are so sufficient and self-explanatory; that in majority of cases readers do not require further support; although support is always available when you need it.