



# **OTHM LEVEL 7 DIPLOMA IN ACCOUNTING AND FINANCE**

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Qualification Number: 603/5882/8

Specification | May 2020

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## QUALIFICATION OBJECTIVES

The objective of the OTHM Level 7 Diploma in Accounting and Finance qualification is to provide learners with an understanding of:

- contemporary and specialised approaches to accountancy and finance
- key practical, theoretical and empirical issues, and academic research
- the complexity of the ever-changing legal framework in which the financial sector operates
- the latest developments in accountancy and reporting required by local, national and European government.

This qualification is designed for learners who wish to pursue a career in the financial services industry, professional accountancy, banking and finance or management. The qualification equips learners with the essential skills and knowledge needed to pursue high level careers in all types of organisations in the public and private sector and within industry and commerce, both in the UK and abroad.

## QUALITY, STANDARDS AND RECOGNITIONS

OTHM Qualifications are approved and regulated by Ofqual (Office of Qualifications and Examinations Regulation). Visit register of [Regulated Qualifications](#).

OTHM has progression arrangements with several UK universities that acknowledge the ability of learners after studying Level 3-7 qualifications to be considered for advanced entry into corresponding degree year/top up and Master's/top-up programmes.

## REGULATORY INFORMATION

Qualification Title	OTHM Level 7 Diploma in Accounting and Finance
Qualification Ref. No.	603/5882/8
Regulation Start Date	21/05/2020
Operational Start Date	27/05/2020
Duration	1 Year
Total Credit Value	120 Credits
Total Qualification Time (TQT)	1200 Hours
Guided Learning Hours (GLH)	600 Hours
Sector Subject Area (SSA)	15.1 Accounting and finance
Overall Grading Type	Pass / Fail
Assessment Methods	Coursework
Language of Assessment	English

## EQUIVALENCES

The OTHM Level 7 diplomas on the Regulated Qualifications Framework (RQF) are at the same level as master's degrees. However, they are shorter (120 credits) and learners will have to proceed to the dissertation stage (60 credits) with university to achieve a full masters programme.

## QUALIFICATION STRUCTURE

The OTHM Level 7 Diploma in Accounting and Finance qualification consists of 6 mandatory units for a combined total of 120 credits, 1200 hours Total Qualification Time (TQT) and 600 Guided Learning Hours (GLH) for the completed qualification.

Unit Ref. No.	Mandatory Units	Credit	GLH	TQT
R/615/3236	Investment Analysis	20	100	200
D/615/3241	Corporate Reporting	20	100	200
D/615/3238	Global Finance and Strategy	20	100	200
H/615/3242	Strategic Financial Management	20	100	200
Y/615/3240	Strategic Audit	20	100	200
T/508/0626	Business Research Methods	20	100	200

## DEFINITIONS

**Total Qualification Time (TQT)** is the number of notional hours which represents an estimate of the total amount of time that could reasonably be expected to be required in order for a Learner to achieve and demonstrate the achievement of the level of attainment necessary for the award of a qualification.

*Total Qualification Time is comprised of the following two elements –*

- a) *the number of hours which an awarding organisation has assigned to a qualification for Guided Learning, and*
- b) *an estimate of the number of hours a Learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place as directed by – but, unlike Guided Learning, not under the Immediate Guidance or Supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training.*

*(Ofqual 15/5775 September 2015)*

**Guided Learning Hours (GLH)** is defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a student working towards a qualification.

**Credit value** is defined as being the number of credits that may be awarded to a Learner for the successful achievement of the learning outcomes of a unit. One credit is equal to 10 hours of TQT.

## ENTRY REQUIREMENTS

For entry onto the OTHM Level 7 Diploma in Accounting and Finance qualification, learners must possess:

- An honours degree in related subject or UK level 6 diploma or an equivalent overseas qualification
- Mature learners with management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)
- Learners must be 21 years old or older at the beginning of the course
- **English requirements:** If a learner is not from a majority English-speaking country must provide evidence of English language competency. For more information visit [English Language Expectations](#) page.

## PROGRESSIONS

The OTHM Level 7 Diploma in Accounting and Finance qualification enables learners to progress into or within employment and/or continue their further study. As this qualification is approved and regulated by Ofqual (Office of the Qualifications and Examinations Regulation), learners are eligible to progress to Master's top-up programmes at many universities in the UK and overseas with advanced standing. For more information visit [University Progressions page](#).

## DELIVERY OF OTHM QUALIFICATIONS

OTHM do not specify the mode of delivery for its qualifications, therefore OTHM Centres are free to deliver this qualification using any mode of delivery that meets the needs of their Learners. However, OTHM Centres should consider the Learners' complete learning experience when designing the delivery of programmes.

OTHM Centres must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted. Where it is reasonable and practicable to do so, it will take steps to address identified inequalities or barriers that may arise.

Guided Learning Hours (GLH) which are listed in each unit gives the Centres the number of hours of teacher-supervised or direct study time likely to be required to teach that unit.

## ASSESSMENT AND VERIFICATION

All units within this qualification are internally assessed by the centre and externally verified by OTHM. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

To achieve a 'pass' for a unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria. Judgement that the learners have successfully fulfilled the assessment criteria is made by the Assessor.

The Assessor should provide an audit trail showing how the judgement of the learners' overall achievement has been arrived at.

Specific assessment guidance and relevant marking criteria for each unit are made available in the Assignment Brief document. These are made available to centres immediately after registration of one or more learners.

## OPPORTUNITIES FOR LEARNERS TO PASS

Centres are responsible for managing learners who have not achieved a Pass for the qualification having completed the assessment. However, OTHM expects at a minimum, that centres must have in place a clear feedback mechanism to learners by which they can effectively retrain the learner in all the areas required before re-assessing the learner.

## RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT

Recognition of Prior Learning (RPL) is a method of assessment that considers whether learners can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and do not need to develop through a course of learning.

RPL policies and procedures have been developed over time, which has led to the use of a number of terms to describe the process. Among the most common are:

- Accreditation of Prior Learning (APL)
- Accreditation of Prior Experiential Learning (APEL)
- Accreditation of Prior Achievement (APA)
- Accreditation of Prior Learning and Achievement (APLA)

All evidence must be evaluated with reference to the stipulated learning outcomes and assessment criteria against the respective unit(s). The assessor must be satisfied that the evidence produced by the learner meets the assessment standard established by the learning outcome and its related assessment criteria at that particular level.

Most often RPL will be used for units. It is not acceptable to claim for an entire qualification through RPL. Where evidence is assessed to be only sufficient to cover one or more learning outcomes, or to partly meet the need of a learning outcome, then additional assessment methods should be used to generate sufficient evidence to be able to award the learning outcome(s) for the whole unit. This may include a combination of units where applicable.

## Equality and Diversity

OTHM provides equality and diversity training to staff and consultants. This makes clear that staff and consultants must comply with the requirements of the Equality Act 2010, and all other related equality and diversity legislation, in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any feature that might disadvantage learners because of their age, disability, gender, pregnancy or maternity, race, religion or belief, and sexual orientation.

If a specific qualification requires a feature that might disadvantage a particular group (e.g. a legal requirement regarding health and safety in the workplace), we will clarify this explicitly in the qualification specification.

## **Unit Specifications**

## Investment Analysis

Unit Reference Number	R/615/3236
Unit Title	Investment Analysis
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200 Hours
Guided Learning Hours (GLH)	100 Hours
Mandatory / Optional	Mandatory
Unit Grading Structure	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' understanding of investment theories and market equilibrium models, and includes the requirement to perform bond valuations and evaluate current investment performance. On successful completion of this unit, learners will be equipped with the skills to critically assess the cause and effect of developments on the world's capital market. Learners will be able to make effective recommendations for future investments.

### Learning Outcomes, Assessment criteria and Indicative contents

Learning Outcome – The learner will:	Assessment criterion – The learner can:	Indicative contents
1. Understand different types of securities.	1.1 Explain types of securities and associated concepts. 1.2 Evaluate key characteristics of each type of security.	<u>Bonds</u> <ul style="list-style-type: none"> <li>• Types and characteristics</li> <li>• Pricing bonds</li> <li>• Bond yields</li> <li>• Term Structure of Interest Rates</li> <li>• Theories of term structure</li> <li>• Bond risk - types and measurement.</li> </ul> <u>Equities</u> <ul style="list-style-type: none"> <li>• Types and characteristics</li> </ul>



		<ul style="list-style-type: none"> <li>• Measures of equity performance</li> <li>• Equity pricing</li> <li>• Risk</li> <li>• Equity evaluation.</li> </ul> <p><u>Securities</u></p> <ul style="list-style-type: none"> <li>• Types and characteristics</li> <li>• Synthetic securities - swaps, bundled and unbundled securities.</li> </ul>
2. Understand the regulation of security trading and new issues in world markets.	<p>2.1 Explain regulations and procedures used in trading securities.</p> <p>2.2 Analyse the policies and procedures relating to the trading of securities and new issues in world markets.</p> <p>2.3 Assess issues in global markets including the London Stock Exchange.</p>	<p><u>Derivatives</u></p> <ul style="list-style-type: none"> <li>• Description</li> <li>• Evaluation</li> </ul> <p><u>Forward contracts</u></p> <ul style="list-style-type: none"> <li>• Description</li> <li>• Evaluation</li> </ul> <p><u>Financial futures</u></p> <ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Operation of futures markets</li> <li>• Types of financial future</li> <li>• Pricing financial futures.</li> </ul> <p><u>Financial options</u></p> <ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Operation of options markets</li> <li>• Types of option</li> <li>• Option pricing</li> <li>• Warrants</li> <li>• Convertible</li> </ul>
3. Be able to apply principles of investment theory, securities and market analysis.	<p>3.1 Explain the principles of investment theory.</p> <p>3.2 Evaluate the use of securities.</p> <p>3.3 Critically assess the underlying concepts of market analysis and efficiency.</p>	<p><u>Motives for investment</u></p> <ul style="list-style-type: none"> <li>• Risk &amp; return</li> <li>• Pricing securities</li> <li>• Market efficiency.</li> </ul> <p><u>Money Market Investments</u></p> <ul style="list-style-type: none"> <li>• Markets &amp; investors</li> <li>• Securities quoted on a yield basis</li> </ul>

<p>4. Understand the principles of taxation.</p>	<p>4.1 Explain indirect and direct taxes. 4.2 Analyse the characteristics of indirect and direct taxes. 4.3 Assess the principles of taxation and their implications for relevant stakeholders.</p>	<ul style="list-style-type: none"> <li>• Securities quoted on a discount basis.</li> </ul> <p><u>Taxation</u>: Definitions and characteristics of-</p> <ul style="list-style-type: none"> <li>• Income tax</li> <li>• Capital gains tax</li> <li>• Inheritance</li> <li>• Corporation tax</li> <li>• Sales tax</li> <li>• Value Added Tax (VAT)</li> <li>• Progressive v Regressive taxation.</li> </ul> <p><u>Principles of Taxation</u></p> <ul style="list-style-type: none"> <li>• Principle of simplicity</li> <li>• Principle of convenience</li> <li>• Principle of certainty</li> <li>• Principle of equality.</li> </ul>
<p>5. Understand the laws and regulations controlling the financial services industry.</p>	<p>5.1 Explain laws and regulations controlling the financial services industry. 5.2 Evaluate a range of risk mitigation methods used in investments. 5.3 Analyse practical risk mitigation methods.</p>	<p><u>Hedging</u></p> <ul style="list-style-type: none"> <li>• Nature &amp; objectives</li> <li>• Hedging risk on individual equities</li> <li>• Hedging market risk on equity portfolios</li> <li>Hedging interest rate risk.</li> </ul> <p><u>Speculation</u></p> <ul style="list-style-type: none"> <li>• Nature &amp; objectives</li> <li>• Speculation using futures</li> <li>• Speculation using options.</li> </ul> <p><u>Arbitrage</u></p> <ul style="list-style-type: none"> <li>• Nature &amp; objectives</li> <li>• Arbitrage using futures</li> <li>• Arbitrage using options</li> </ul>
<p>6. Be able to plan, manage and assess client portfolios.</p>	<p>6.1 Explain client portfolios in accordance with customer profiles. 6.2 Make justified recommendations of appropriate types of savings and investments. 6.3 Critically assess issues relating to portfolio management.</p>	<p><u>Portfolio Management</u></p> <ul style="list-style-type: none"> <li>• Functions of portfolio management</li> <li>• Active and passive portfolio management</li> <li>• Portfolio performance measurement.</li> </ul> <p><u>Managing Client Portfolios</u></p> <ul style="list-style-type: none"> <li>• The Efficient Markets Hypothesis</li> </ul>

		<ul style="list-style-type: none"> <li>• The Capital Asset Pricing Model</li> <li>• The Arbitrage Pricing Model</li> <li>• Implications for investment strategy</li> <li>• Portfolio management.</li> </ul>
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## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count
All 1 to 6	All ACs under LO 1 to 6	15 minute presentation and accompanying Report	4500 words

## Indicative Reading list

### Textbooks

Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9th Edition. USA: Thomson One

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th Edition. Kogan Page: London

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th ed. Harlow: Pearson Education

Reilly, F. and Brown, K. (2009) *Investment Analysis & Portfolio Management*. 10th Edition. USA: Thomson One

## Journals

- Journal of International Financial Markets
- The Hedge Fund Journal
- Journal of Asset Management

## Websites

- Management Study Guide: <http://www.managementstudyguide.com/portfolio-management.htm>
- Reference for business: <http://www.referenceforbusiness.com/encyclopedia/Int-Jun/Investment-Analysis.html>
- Slide Share: <http://www.slideshare.net/aakashkulkarni3/mgbpm-market-efficiency-and-portfolio-theory>
- Financial adviser. London: FT Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investment adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's chronicle. London: Financial Times Business: [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk)
- Investment week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Money marketing. London: Centaur Communications: [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk)

## Corporate Reporting

Unit Reference Number	D/615/3241
Unit Title	Corporate Reporting
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200 Hours
Guided Learning Hours (GLH)	100 Hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.1 Accounting and finance
Unit Grading Structure	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' ability to prepare and interpret financial statements for a range of business organisations. Learners will be able to apply relevant accounting concepts and principles. The unit provides an opportunity for learners to enhance their quantitative and qualitative analytical skills through the interpretation of financial data.

### Learning Outcomes, Assessment criteria and Indicative contents

Learning Outcome – The learner will:	Assessment criterion – The learner can:	Indicative contents
1. Understand the accounting and finance regulatory framework.	1.1 Explain the main sources for regulatory framework. 1.2 Evaluate the impact of the accounting and finance regulatory framework on business organisations. 1.3 Assess areas of abuse and exploitation in accounting and financial reporting.	<ul style="list-style-type: none"> <li>• History of accounting and financial information</li> <li>• Document development</li> <li>• Early auditing systems and their development over time/</li> <li>• Useful information provided to business organisations, to include:                             <ul style="list-style-type: none"> <li>• Growth / expansion strategies</li> <li>• Performance management</li> <li>• Budget creation</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• Business decisions</li> <li>• Investment decisions.</li> <li>• The regulatory framework and financial reporting</li> <li>• Reporting Standards</li> <li>• Frameworks – Principle vs Rule Based Systems</li> <li>• The importance and the impact of the regulatory framework on business organisations</li> <li>• International Financial Reporting Standards – accounting standards developed by the International Accounting Standards Board (IASB).</li> </ul>
2. Understanding accounting concepts, principles and theories.	<p>2.1 Explain key accounting concepts, principles and theories.</p> <p>2.2 Analyse the importance of accounting concepts, principles and theories.</p>	<p>Concepts, principles and theories – rules and guidelines of the financial accounting profession.</p> <p>Concepts, principles and theories to include:</p> <ul style="list-style-type: none"> <li>○ Accruals concept</li> <li>○ Prudence</li> <li>○ Materiality</li> <li>○ Consistency</li> <li>○ Going concern</li> <li>○ Business entity concept</li> <li>○ Money measurement</li> <li>○ Duality</li> <li>○ Stability</li> <li>○ Objectivity</li> </ul>
3. Be able to prepare and interpret accounting information.	<p>3.1 Prepare accounting information.</p> <p>3.2 Interpret published accounting information.</p> <p>3.3 Assess published accounting information.</p>	<p>Definitions:</p> <p>Cash flow statements show how the changes in the balance sheet and income have an effect on cash and cash equivalents. They consider operating, investing and financing activities.</p> <p>Accounting for non-current assets, including:</p> <ul style="list-style-type: none"> <li>○ Intangibles</li> <li>○ Government grants</li> <li>○ Research and development</li> </ul> <p>Accounting for taxation including deferred taxation</p>

		<p>Accounting for long term contracts                      Group accounting - acquisition basis, including:</p> <ul style="list-style-type: none"> <li>○ Goodwill</li> <li>○ Non-controlling interest</li> <li>○ Inter-company transactions</li> <li>○ Statements of comprehensive income</li> <li>○ Statements of financial position</li> </ul> <p>Issue and redemption of shares and debt                      Accounting for company failure – liquidations                      Interpretation and critical evaluation of accounting and financial information.</p>
<p>4. Be able to review specific policies, practices and regulations within corporate accounting.</p>	<p>4.1 Explain specific policies, practices and regulations within corporate accounting.                      4.2 Assess accounting regulations for a named business sector.                      4.3 Critically assess the key accounting practices and policies identified for a named business sector.</p>	<ul style="list-style-type: none"> <li>● Accounting rules and regulations</li> <li>● UK accounting standards</li> <li>● Generally accepted accounting principles</li> <li>● Corporate accounting, including:</li> <li>● Preparation of companies' final accounts and cash flow statements</li> <li>● Analysis and interpretation of financial results</li> <li>● Key events such as amalgamation</li> <li>● Accounting practices</li> <li>● Accounting policies.</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count
All 1 to 4	All ACs under LO 1 to 4	Business Report	4500 words

## Indicative Reading list

### Textbooks

Andrew, H. (2003) *Corporate Financial Reporting Theory & Practice*. London: Sage Publication

Bungerberd, M., Griebel, J., Hobe, S. and Reinish, A. (2015) *International Investment law: A Handbook*. Oxford: Hart Publishing.

Elton, E., Gruber, M., Brown, S. and Goetzmann, W. (2011) *Modern Portfolio Theory and Investment Analysis: International Student Version*. 8th Edition. New York: John Wiley.

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley.

Fernando, A.C. (2009) *Corporate Governance: Principles, Policies and Practice*. Beijing: Prentice Hall.

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th Edition Harlow: Pearson Education.

Justin, J. and Taylor, J. (2013) *Corporate Governance, Ethics and CSR*. London: Kogan Page

### Journals

- Journal of Financial Reporting and Accounting
- Journal of Critical Perspectives On Accounting

### Websites

- Management Study Guide: <http://www.managementstudyguide.com/portfolio-management.htm>
- Financial Adviser. London: FT Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investment Adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's Chronicle. London: Financial Times Business: [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk)
- Investment week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money Management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Forbes: <http://www.forbes.com>
- ACCA: <http://www.accaglobal.com/uk/en/student/exam-support-resources/fundamentals-exams-study-resources/f7/technical-articles/conceptual-framework-need.html>



## Global Finance and Strategy

Unit Reference Number	D/615/3238
Unit Title	Global Finance and Strategy
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200 Hours
Guided Learning Hours (GLH)	100 Hours
Mandatory / Optional	Mandatory
Unit Grading Structure	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' understanding of the types of decisions that need to be taken when entering global markets. Learners will gain an understanding of why independence in solving financial issues within a specific period of time is vital for business success.

### Learning Outcomes, Assessment criteria and Indicative contents

Learning Outcome – The learner will:	Assessment criterion – The learner can:	Indicative contents
1. Understand the concept of globalisation.	1.1 Analyse the concept of globalisation. 1.2 Assess the link between the concept of globalisation and the investment process.	<ul style="list-style-type: none"> <li>• Definition of globalisation</li> <li>• Types of globalisation</li> <li>• Investment processes in globalisation</li> <li>• Investments which have taken place between countries as a result of globalisation</li> </ul>
2. Understand the impact of the global business environment on national and multinational business organisations.	2.1 Explain factors affecting the global business environment. 2.2 Assess the impact of identified factors on national and multinational business organisations.	<ul style="list-style-type: none"> <li>• Definition of the Global Business Environment</li> <li>• Factors exogenous to the home environment of a business organisation</li> <li>• Influence of decision making on resource utilisation</li> <li>• Global Business Environmental Factors:                             <ul style="list-style-type: none"> <li>○ Social</li> <li>○ Legal</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Economic</li> <li>○ Political</li> <li>○ Technological</li> <li>○ Environmental (Green Issues)</li> <li>● Entry and Exit barriers</li> <li>● Effect of Globalisation and of the Global Business Environment on national and multinational business organisations</li> <li>● Environmental factors that affect national and multinational business organisations</li> </ul>
3. Be able to construct strategies that will result in the enhancement of organisational value.	<p>3.1 Explain the current value statement of a named business organisation.</p> <p>3.2 Explain how a named business organisation achieved its values.</p> <p>3.3 Recommend strategies that would enhance the value of a named business organisation.</p>	<ul style="list-style-type: none"> <li>● Business Valuation – definition and purpose</li> <li>● Strategic implication of mergers</li> <li>● Post-merger values</li> <li>● Management theories that enable the understanding of the current market position</li> <li>● Strategies to enhance value</li> </ul>
4. Be able to evaluate the financial consequences of strategic decisions.	<p>4.1 Analyse the strategic decision of a named business organisation.</p> <p>4.2 Evaluate the financial consequences of a strategic decision made by a named business organisation.</p>	<ul style="list-style-type: none"> <li>● Strategic decisions are usually long term, complex decisions developed by a management team. The decisions made will affect the future direction of the business organisation.</li> <li>● Strategic decisions that consist of less complex, medium term and tactical decisions.</li> <li>● Financial consequences of making strategic decisions.</li> </ul>
5. Understand appropriate sources of finance.	<p>5.1 Explain sources of finance available to business organisations.</p> <p>5.2 Assess the risk involved in a range of sources of finance.</p> <p>5.3 Critically assess the costs involved in managing global risk.</p>	<ul style="list-style-type: none"> <li>● Sources of finance – definition</li> <li>● Internal and external sources of finance, for example: <ul style="list-style-type: none"> <li>○ Loans</li> <li>○ Debentures</li> <li>○ Mortgages</li> <li>○ Retained earnings</li> <li>○ Government sources</li> <li>○ Shares</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• Financial risks associated with using different sources of finance.</li> </ul>
6. Be able to assess techniques to manage global risk.	<p>6.1 Explain risk mitigation techniques.</p> <p>6.2 Analyse global risks.</p> <p>6.3 Assess the suitability of techniques used by a named business organisation to manage their global risk.</p>	<ul style="list-style-type: none"> <li>• Use of the Capital Asset Pricing Model</li> <li>• Cost of Capital</li> <li>• WACC</li> <li>• Use of Exchange Rates</li> <li>• Interest Rates</li> <li>• Foreign Exchange Rate Risk</li> <li>• Risk mitigation techniques:</li> <li>• Risk Avoidance</li> <li>• Risk Mitigation</li> <li>• Transfer of Risk</li> <li>• Risk Acceptance</li> </ul>
7. Be able to assess potential investment decisions and global strategies.	<p>7.1 Analyse the potential investment decisions and strategies available to a named business organisation.</p> <p>7.2 Assess the global environment decisions and strategies affecting a named business organisation.</p>	<ul style="list-style-type: none"> <li>• Investment appraisal</li> <li>• Impact of investment appraisal on global financing</li> <li>• Financial strategies used in the global environment</li> <li>• Capital investment relating to funds invested in a business organisation for the purpose of furthering its strategic objectives</li> <li>• Aspects of strategy (often international), which include:</li> <li>• Scope of operations</li> <li>• Resource allocation</li> <li>• Competitive advantage</li> <li>• Synergy</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count
All 1 to 7	All ACs under LO 1 to 7	Business Report	4500 words

## Indicative Reading list

### Textbooks

Bungerberd, M., Griebel, J., Hobe, S. and Reinish, A. (2015) *International Investment Law: A Handbook*. Oxford: Hart Publishing.

Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9th Edition. USA: Thomson One

Elton, E., Gruber, M., Brown, S. and Goetzmann, W. (2011) *Modern Portfolio Theory and Investment Analysis: International Student Version*. 8th ed. New York: John Wiley.

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, And Portfolio Management*. London: Wiley

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9<sup>th</sup> Edition. Kogan Page: London

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th Edition. Harlow: Pearson Education

Reilly, F. and Brown, K. (2009) *Investment Analysis & Portfolio Management*. 10th Edition. USA: Thomson One

Woods, M., Kajuter, P. and Linsley, P. (2008) *International Risk Management. Systems, Internal Control, & Corporate Governance*. Oxford: CIMA Publishing.

### Journals

- Journal of International Financial Markets
- The Hedge Fund Journal
- Journal of Asset Management
- Journal of Business Strategy
- Journal of Financial and Quantitative Analysis

### Websites

- Management Study Guide: <http://www.managementstudyguide.com/portfolio-management.htm>
- Reference for Business: <http://www.referenceforbusiness.com/encyclopedia/Int-Jun/Investment-Analysis.html>
- Slide Share: <http://www.slideshare.net/aakashkulkarni3/mgbpm-market-efficiency-and-portfolio-theory>

- Financial Adviser. London: FT Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investment Adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's chronicle. London: Financial Times Business: [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk)
- Investment Week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money Management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Money Marketing. London: Centaur Communications: [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk)
- Forbes: <http://www.forbes.com>
- Financial Managers Society: <http://www.fmsinc.org/>
- Accounting Coach: <http://www.accountingcoach.com/>
- IDEAS: <https://ideas.repec.org/a/scm/ausvfe/v10y2010ispecialp180-188.html>

## Strategic Financial Management

Unit Reference Number	H/615/3242
Unit Title	Strategic Financial Management
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200 Hours
Guided Learning Hours (GLH)	100 Hours
Mandatory / Optional	Mandatory
Unit Grading Structure	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' understanding of planning and managing the use of an organisation's financial resources. Learners will understand the importance of attaining business objectives and maximizing shareholder return. Learners will gain a working knowledge of business strategy design and the production of comprehensive business plans.

### Learning Outcomes, Assessment criteria and Indicative contents

Learning Outcome – The learner will:	Assessment criterion – The learner can:	Indicative contents
1. Understand the significance of strategic management and decision making to the performance of a business organisation.	1.1 Apply relevant academic theories to demonstrate an understanding of various internal and external organisational factors. 1.2 Evaluate business resources used to meet organisational objectives.	<ul style="list-style-type: none"> <li>• Strategic analysis of the external environment, internal strategic capability and stakeholder expectations including:                             <ul style="list-style-type: none"> <li>○ PESTEL</li> <li>○ Five Forces Framework</li> <li>○ RBV</li> <li>○ Core Competences</li> <li>○ Value Chain</li> </ul> </li> </ul>
2. Understand key financial theories.	2.1 Evaluate key financial theories. 2.2 Assess strategic implementation techniques using balanced scorecard	<ul style="list-style-type: none"> <li>• Finance theories and their application to financial decision making.</li> <li>• Strategic implementation techniques</li> </ul>

	and portfolio management tools.	<ul style="list-style-type: none"> <li>• Portfolio management tools.</li> <li>• Models of Strategic Management</li> <li>• Objective setting</li> <li>• Definition of the balanced scorecard – a strategic planning and management system that is used extensively in business to align business activities to the vision and strategy of the organisation, to improve internal and external communications and to monitor organisation performance against strategic goals.</li> <li>• Portfolio theory and risk</li> </ul>
3. Be able to apply stakeholder analysis and corporate valuation techniques.	<p>3.1 Analyse the significance of stakeholder analysis.</p> <p>3.2 Analyse business expansion methods and their impact on stakeholders.</p> <p>3.3 Apply stakeholder analysis to a named business organisation.</p> <p>3.4 Prepare return and risk computations.</p> <p>3.5 Explain the concepts of corporate and business valuation techniques.</p>	<ul style="list-style-type: none"> <li>• Organisational culture, including <ul style="list-style-type: none"> <li>○ Shared beliefs</li> <li>○ Norms and Values</li> <li>○ Roles of culture</li> </ul> </li> <li>• Change management process</li> <li>• Managing strategic change.</li> <li>• Concept of value, including: <ul style="list-style-type: none"> <li>○ EVA</li> <li>○ MVA</li> <li>○ SVA</li> </ul> </li> <li>• Dividend policy, including: <ul style="list-style-type: none"> <li>○ relevance and irrelevance</li> <li>○ signalling</li> <li>○ clientele effects</li> </ul> </li> <li>• Corporate valuations, including: <ul style="list-style-type: none"> <li>○ asset values</li> <li>○ stock market</li> <li>○ cashflow</li> <li>○ dividend valuation</li> </ul> </li> </ul>
4. Understand the role of culture in strategic decision making.	<p>4.1 Explain the role of culture in creating a strategy.</p> <p>4.2 Analyse the role of change management.</p>	<ul style="list-style-type: none"> <li>• Stakeholder analysis – key project management skill for classifying people who have influence over the business</li> <li>• Shareholder and stakeholder perspectives</li> </ul>

	<p>4.3 Analyse the role and effect of culture on change management.</p>	<ul style="list-style-type: none"> <li>• Impacts and management of stakeholder analysis</li> <li>• Mergers and Acquisitions, including:             <ul style="list-style-type: none"> <li>○ Motivations</li> <li>○ Wealth effects</li> <li>○ Regulation</li> </ul> </li> <li>• The impact on shareholders and stakeholders due to the mergers and acquisition</li> </ul>
<p>5. Understand performance measurement systems.</p>	<p>5.1 Evaluate performance measurement systems.            5.2 Explain financial analysis techniques.            5.3 Apply financial analysis systems and techniques to practical business problems.</p>	<ul style="list-style-type: none"> <li>• Investment appraisal techniques, including:             <ul style="list-style-type: none"> <li>○ Payback</li> <li>○ Discounted Payback</li> <li>○ Accounting Rate of Return</li> <li>○ Net Present Value</li> <li>○ Internal Rate of Return</li> <li>○ Risk Appraisal</li> <li>○ Project Risk.</li> </ul> </li> <li>• Sources of long term finance, including             <ul style="list-style-type: none"> <li>○ Shares</li> <li>○ Borrowing</li> <li>○ Leases</li> <li>○ Collateral / Security</li> <li>○ Hire Purchase</li> <li>○ Grants.</li> </ul> </li> <li>• Ratio Analysis, including:             <ul style="list-style-type: none"> <li>○ Liquidity ratios</li> <li>○ Profitability ratios</li> <li>○ Investor ratios</li> <li>○ Efficiency ratios</li> <li>○ Performance ratios</li> </ul> </li> </ul>



## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count
All 1 to 5	All ACs under LO 1 to 5	Business Report	4500 words

## Indicative Reading list

### Textbooks

Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9<sup>th</sup> Edition. USA: Thomson One

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9<sup>th</sup> Edition. Kogan Page: London

Hill, C. and Jones, G. (2012) *Strategic Management: An Integrated Approach*. 10<sup>th</sup> Edition. USA: South-Western.

Reilly, F. and Brown, K. (2009) *Investment Analysis & Portfolio Management*. 10<sup>th</sup> Edition. USA: Thomson One

Woods, M., Kajuter, P. and Linsley, P. (2008) *International Risk Management. Systems, Internal Control, & Corporate Governance*. Oxford: CIMA Publishing.

### Journals

- Journal of Risk and Financial Management
- Strategic Management Journal

### Websites

- Financial Adviser. London: FT Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investment Adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's chronicle. London: Financial Times Business: [www.investorchronicle.co.uk](http://www.investorchronicle.co.uk)

- Investment Week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money Management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Money Marketing. London: Centaur Communications: [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk)
- Forbes: <http://www.forbes.com>
- Financial Managers Society: <http://www.fmsinc.org/>
- Finance: <http://finance.mapsofworld.com/strategic-management/model.html>
- ACCA: <http://www.accaglobal.com/uk/en/student/exam-support-resources/professional-exams-study-resources/p4/technical-articles/economic-value-added.html>

## Strategic Audit

Unit Reference Number	Y/615/3240
Unit Title	Strategic Audit
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200 Hours
Guided Learning Hours (GLH)	100 Hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.1 Accounting and finance
Unit Grading Structure	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' understanding of how managers can position and execute business strategy appropriately. This will involve an in-depth study of the strategic auditing process and related procedures. Learners will be able to understand and apply suitable investigative techniques to both positive and negative environments.

### Learning Outcomes, Assessment Criteria and Indicative contents

Learning Outcome – The learner will:	Assessment Criterion – The learner can:	Indicative contents
1. Understand historic and current auditing processes and procedures.	1.1 Assess the historic and current auditing regulatory environment. 1.2 Explain the rules of professional conduct for auditors. 1.3 Critically assess the rules of professional conduct for auditors.	<ul style="list-style-type: none"> <li>• The regulatory environment, including:                             <ul style="list-style-type: none"> <li>○ Laws</li> </ul> </li> <li>• Rules and regulations which are put in place by the state, or other government entities, to control the behaviour and actions of business activities</li> <li>• Professional conduct – the field of regulation of members of professional bodies acting under statutory or contractual powers.</li> <li>• Rules of professional conduct to ensure proper standards of professional conduct are observed.</li> </ul>

		<p>Rules to include:</p> <ul style="list-style-type: none"> <li>○ Integrity</li> <li>○ Objectivity</li> <li>○ Confidentiality</li> <li>○ Competency</li> </ul>
2. Understand the importance of legal and professional requirements when completing an audit.	<p>2.1 Explain the legal and professional requirements when completing an audit.</p> <p>2.2 Evaluate the importance of the legal and professional requirements on the performance of an audit.</p>	<ul style="list-style-type: none"> <li>● The standards and responsibilities for internal auditors and internal audit activity.</li> <li>● Impact of the global financial crisis – increase in legal and professional requirements when performing audit processes.</li> </ul>
3. Understand audit strategy.	<p>3.1 Analyse audit strategy used in business organisations.</p> <p>3.2 Assess the effectiveness of the audit monitoring process.</p>	<p>The auditing process may include:</p> <ul style="list-style-type: none"> <li>○ Requesting documents</li> <li>○ Preparing an audit plan</li> <li>○ Holding an open meeting</li> <li>○ Drafting a report</li> <li>○ End meeting – to discuss the report.</li> <li>○ Audit Strategy</li> <li>○ Audit Plan</li> </ul>
4. Understand the risk involved in the audit process.	<p>4.1 Discuss the risk involved in the audit process.</p> <p>4.2 Analyse appropriate measures to minimise identified risk.</p> <p>4.3 Explain the link between account preparation and the audit completed.</p>	<ul style="list-style-type: none"> <li>● Definition of audit risk</li> <li>● Types of audit risk: <ul style="list-style-type: none"> <li>○ Inherent risk</li> <li>○ Control risk</li> <li>○ Detection risk</li> </ul> </li> <li>● The audit risk model – used by auditors to manage the overall risk</li> <li>● Link between account preparation and the audit conducted</li> <li>● Definition of a financial audit</li> <li>● Auditor reports.</li> </ul>
5. Understand current developments in auditing.	<p>5.1 Assess current developments in auditing.</p> <p>5.2 Assess the importance of the current developments in audit processes.</p>	<ul style="list-style-type: none"> <li>● Current and future audit services</li> <li>● Internationalisation of accounting and auditing standards – for example, IAS</li> <li>● Role of information technology in the audit process.</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count
All 1 to 5	All ACs under LO 1 to 5	Business Report	4500 words

## Indicative Reading list

### Textbooks

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley

Giove, F. (2015) *Auditing Essentials*. New Jersey: Research & Education Association

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9<sup>th</sup> Edition. Kogan Page: London

Millichamp, A. (2002) *Auditing*. 8th Edition. London: Thomson.

Woods, M., Kajuter, P. and Linsley, P. (2008) *International Risk Management. Systems, Internal Control, & Corporate Governance*. Oxford: CIMA Publishing.

### Journals

- Journal of Auditing
- Journal of Accounting, Auditing & Finance
- Managerial Auditing Journal

### Websites

- Money Management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Money Marketing. London: Centaur Communications: [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk)

- Forbes: <http://www.forbes.com>
- Financial Managers Society: <http://www.fmsinc.org/>
- Accounting Coach: <http://www.accountingcoach.com/>
- Slide Share: <http://www.slideshare.net/vishwacrv/auditing-notes-27123132>
- Forbes: <http://www.forbes.com>
- What are auditing and accounting: <http://smallbusiness.chron.com/auditing-accounting-11772.html>

## Business Research Methods

Unit Reference Number	T/508/0626
Unit Title	Business Research Methods
Unit Level	7
Number of Credits	20
Total Qualification Time (TQT)	200
Guided Learning Hours (GLH)	100
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business management
Unit Grading type	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' understanding of research principles including the formulation of research proposals, literature reviews, referencing, data collection using interviews and surveys, questionnaire design, statistical analysing using SPSS, qualitative data, and methods for drawing conclusions from the analysed data.

### Learning Outcomes, Assessment Criteria and Indicative contents

Learning Outcome – The learner will:	Assessment Criterion – The learner can:	Indicative contents
1. Be able to identify research problems and formulate research objectives.	1.1 Appraise research problems. 1.2 Develop appropriate research objectives and justify their choice.	<ul style="list-style-type: none"> <li>Understanding the research context; research problem identification for investigation; research topic identification; the conceptualisation of a research problem; developing insights; and feasibility and possibilities.</li> </ul>
2. Understand how to review the literature on a research topic.	2.1 Evaluate literature relevant to a research problem. 2.2 Critically analyse different theoretical approaches to a research problem.	<ul style="list-style-type: none"> <li>Definition, features and ways to do literature review; the generic selection of literature; spotting the sources of literature; justification of an appropriate selection of literature; : the selection of appropriate theories for the research; conceptualisation of the research phenomenon;</li> </ul>

		including relevant theories and the justification of choices; the strength and credentials of relevant theoretical framework; the understanding and interpretation; and developing the theoretical framework.
3. Be able to design appropriate business research methodologies.	<p>3.1 Critically evaluate appropriate research methodologies in terms of research objectives.</p> <p>3.2 Design an appropriate methodology in terms of research objectives.</p> <p>3.3 Justify a selected methodology in terms of research objectives.</p>	<ul style="list-style-type: none"> <li>Designing a research using the most appropriate method; research question or hypothesis test; reliability and validity test; ethical issues consideration; quantitative methodology; questionnaire design and distribution; conducting interviews; surveys; qualitative methodology; interviews; observation; and case studies.</li> </ul>
4. Be able to develop a research proposal.	<p>4.1 Propose techniques for use with quantitative and qualitative data.</p> <p>4.2 Create a research question, literature review and methodology.</p>	<ul style="list-style-type: none"> <li>Writing a research report for professional audiences; following a criteria sequence as rationale of the research, formatting, editing, critical analysis, discussions of evidences and findings.</li> </ul>

### Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length of coursework)
All 1 to 4	All ACs under LO 1 to 4	Research Proposal	2500 words

### Indicative reading list

Bryman, Alan and Emma Bell (2015). *Business Research Methods* (4<sup>th</sup> ed.). Oxford: Oxford University Press

Chilsa, B. (2012) *Indigenous Research Methodologies*. London: Sage

Denzin, N.K., Lincoln Y.S., and Tuhiwai Smith, L. (2008, Eds.) *Handbook of Critical and Indigenous Methodologies* London: Sage



Hantrais, Linda (2009). *International Comparative Research: Theory, Methods and Practice*. Basingstoke and New York: Palgrave

Piekkari, R. and Welch, C. (2011, Eds.): *Rethinking the Case Study in International Business and Management Research*, Cheltenham, UK: Edward Elgar

Marschan-Piekkari, R. and Welch, C. (2004, Eds.): *Handbook of Qualitative Research Methods for International Business*, Cheltenham, UK and Northampton, MA: Edward Elgar

Neuman, W.L. (2011) *Social research methods: qualitative and quantitative approaches*. Boston and London: Pearson Education.

## **IMPORTANT NOTE**

Whilst we make every effort to keep the information contained in programme specification up to date, some changes to procedures, regulations, fees matter, timetables, etc may occur during the course of your studies. You should, therefore, recognise that this booklet serves only as a useful guide to your learning experience. For updated information please visit our website [www.othm.org.uk](http://www.othm.org.uk).