

MSc Finance – LM550 (REVAMPED)

1. Objectives

The objectives of this 2-year part-time programme are two-fold: first to provide you with a strong foundation in both the theoretical principles and practice of finance, and second to equip you with analytical tools to enable you to operate in the finance industry *at large*. The programme will cater for graduates and professionals who wish to enhance their knowledge in the field of finance for more effective decision making.

2. General Entry Requirements

Successful completion of an undergraduate degree with

- at least a Second Class or 50%, whichever is applicable or
- a GPA not less than 2.5 out of 4 or equivalent, from a recognised higher education institution.

OR alternative qualifications acceptable to the University of Mauritius.

3. Programme Requirements

Bachelor's Degree with at least Second Class in Finance/Finance related or any other qualification acceptable to the University.

4. General and Programme Requirements – Special Cases

The following may be deemed to have satisfied the General and Programme requirements for admission:

- (i) Applicants who do not satisfy any of the requirements as per Regulations 2 and 3 above but who submit satisfactory evidence of having passed examinations which are deemed by the Senate to be equivalent to any of those listed.
- (ii) Applicants who do not satisfy any of the requirements as per Regulations 2 and 3 above but who in the opinion of Senate submit satisfactory evidence of the capacity and attainments requisite to enable them to pursue the programme proposed.
- (iii) Applicants who hold a full practising professional qualification obtained by examination.

5. Programme Duration

	Normal (Years)	Maximum (Years)
Master's Degree:	2	4
Postgraduate Diploma:	2	4

6. **Credits per Year:** Minimum 6 credits, Maximum 36 credits subject to regulation 5.

7. Minimum Credits Required for the Awards

Master's Degree: 42 credits
Postgraduate Diploma: 36 credits (without dissertation)

8. Assessment

Each module will carry 100 marks and will be assessed as follows (unless otherwise specified):

Assessment will be based on a written examination of 3-hour duration and continuous assessment carrying a range of 30 - 40% of total marks. Continuous assessment will be based on at least 2 assignment(s), and/or seminar presentations per module per year.

For a student to pass a module an overall total of 40% for combined continuous assessment and written examination components would be required without minimum threshold within the individual continuous assessment and written examination.

However, the module DFA 6222 Research Methods for Finance will be assessed as follows:

- (i) Continuous assessment is 50% broken down as follows:
 - Literature review: 10%
 - Statistical Analysis: 15%
 - Research proposal: 25%
- (ii) Final written examination: 50%

Each module of 45 hours carries 3 credits and each module of 90 hours carries 6 credits.

During year 2, a Residential Seminar will be organised by the Faculty. Students should compulsorily attend and actively participate in the Residential Seminar whenever organised and:

- (i) Students will be required to submit a report of not less than 1200 words to their Programme Coordinator after attendance and participation;
- (ii) Seminar attendance and the report shall be assessed by the Programme Coordinator
- (iii) Attendance at **all sessions of the Seminar is compulsory** and failure to do so would entail non-award of the MSc degree and
- (iv) Grade 'S' assigned upon satisfactory performance as well as attendance at all sessions of the Seminar, in order to be eligible for award of the degree

9. **Dissertation**

Dissertation will carry 6 credits. For the dissertation, it is recommended that students attend all lectures/seminars for the module DFA 6222 - Research Methods for Finance to be properly equipped to produce good dissertations. Assessment will also include performance at viva-voce.

Submission Deadlines for Dissertation:

First Draft: End of July in the Final Year.

Final Copy: Last working day of August in the Final Year.

10. **Specific Regulations**

If CPA < 40 at the end of 2 consecutive semesters, the registration of the student will be terminated.

11. List of Modules

CORE MODULES

Code	Module Name	Hrs/Wk	Credits
DFA6035Y	Corporate Finance	3	6
DFA6106	International Finance	3	3
DFA 6111	Numerical Finance	3	3
DFA6141	Regulations Governing Financial Institutions	3	3
DFA 6234	Equity and Fixed Income Investment	3	3
DFA 6218	Financial Risk Management	3	3
DFA 6222	Research Methods for Finance	-	3
DFA 6020Y	Business Accounting and Analysis	3	6
DFA 6240	Financial Institutions and Markets	3	3
DFA6251	Corporate Ethics and Governance in Accounting and Finance	3	3
MGT 6100	Residential Seminar	-	-
DFA 6099Y	Dissertation	-	6

12. Programme Plan – MSc Finance

YEAR 1

Code	Module Name	Hrs/Wk	Credits
CORE			
DFA6035Y	Corporate Finance	3	6
DFA 6240	Financial Institutions and Markets ¹	3	3
DFA 6020Y	Business Accounting and Analysis	3	6
DFA 6234	Equity and Fixed Income Investment ²	3	3
DFA 6222	Research Methods for Finance ²	3	3
DFA 6111Y	Numerical Finance ¹	3	3

YEAR 2

Code	Module Name	Hrs/Wk	Credits
DFA6251	Corporate Ethics and Governance in Accounting and Finance ¹	3	3
DFA6106	International Finance ¹	3	3
DFA 6141	Regulations Governing Financial Institutions ¹	3	3
DFA 6218	Financial Risk Management ²	3	3
DFA 6099Y	Dissertation	-	6
DFA 6100	Residential Seminar	-	-

NOTE:

- 1) ¹ – Module normally run in Semester 1, subject to availability of resources
- 2) ² – Module normally run in Semester 2, subject to availability of resources
- 3) Modules carrying 3 credits will be examined at the end of respective semesters in which they are run.

13. Outline Syllabus

DFA 6035Y - CORPORATE FINANCE

Agency conflicts and objective of the firm; Appraisal of investment decisions using DCF (including the APV technique) and non-DCF techniques inclusive of the effects of risk, taxation, inflation, different project lives, capital rationing; Deriving the cost of capital and adjusting it to reflect the business and financial risks of the project; identifying relevant FCFs of the project; valuation techniques; analysis of financial statements; Risk, return and introduction to Portfolio Theory; CAPM; Capital structure of a firm: does it matter? Dividend policy: does it matter? Treasury and risk Management (short-term financial planning, working capital management and hedging techniques for interest rate and foreign exchange risks); Acquisition and Mergers; the overseas investment decision and its implications.

DFA 6106- INTERNATIONAL FINANCE

The International Monetary System; Using Balance of Payments Data; The Foreign Exchange Market; International Parity Conditions; The efficiency of international financial markets; currency crises and foreign exchange intervention; Foreign Currency Options; Measuring and managing foreign exchange exposure; Internal and external techniques of exposure management; Interest rate exposure; Capital and Ownership structure; Global cost of capital and international CAPM; Capital markets and other sources of funding for the global firm; Corporate strategy and Foreign Investment Decisions; Taxation issues; Political Risk Management; Managing Multinational Operations; Import and export Financing; issues in International Finance.

DFA 6111- NUMERICAL FINANCE

Essentials of Econometrics, Features of Financial Econometrics, Conditional Heteroscedasticity (ARCH, GARCH, and time series models), Panel Data Estimation; Forecasting in Finance; Portfolio Models, Asset Pricing, Performance measurement and Attribution, Options on Equities, Binomial Trees, Black and Scholes formula, Non-normal distribution and implied volatility, Interest Rate Models, Value at Risk; Statistical theory and its applications in finance; financial modelling using excel and other software.

DFA 6141 - REGULATIONS GOVERNING FINANCIAL INSTITUTIONS

Public Interest Entities, Evolution of the international financial regulation, regulation and compliance, capital adequacy ratios, issues in capital regulation, internal models ,recent development in capital requirements, Basel accord on capital adequacy, regulation of financial services, Regulation of Investment market, Practical issues in Banking and Security. Laws relating to Banking, Banking Act, The Financial services Act, The Financial Reporting Act, legal dimension of Insurance, Money laundering, international standards for combating money laundering and terrorist financing-FATF, AML/CFT framework, Money Laundering offences, conspiracy to commit the offence of money laundering.

DFA 6020Y- BUSINESS ACCOUNTING AND ANALYSIS

The Regulatory Framework, International Accounting and financial reporting Standards; Accounting Issues in Financial Reports; Recognition and measurement of assets, liabilities, income and expenses; Presentation of Financial Statements; standards relating to leasing, provisions, intangible assets, goodwill, earnings per share, borrowing costs, financial instruments, cash flow statements and group accounts; creative accounting; Role and responsibilities of Board of Directors; Role and responsibilities of Management, Users of Financial reports and their expectation; A Framework for Financial Analysis: (a) Business Dynamics, (b) Preliminary Analysis (i.e. Vertical, Horizontal, Change and Trend), (c) Ratio Computations and Inferring, (d) Forecasting Financial Data and (e) Valuation; Content Structure and Format of Financial Statements; Preliminary Analysis, Adjustments (if applicable), Ratio Analysis and Interpretation of Accounts; Corporate Failure; Corporate lending and analysis; Prediction Models; Contemporary Financial Measures of Performance; Performance Measurement Models -, Financial v/s Non Financial performance indicators, conventional profit related measures of performance v/s value based measures; multi-dimensional performance measurement: Balanced Scorecard; Benchmarking; Non Profit Organisations; Public Sector; Planning & Control - Strategic Management Accounting: goals, appraising the environment, position appraisal, strategy evaluation ; Short run Decision-making techniques; budgeting.

DFA 6234- EQUITY AND FIXED INCOME INVESTMENT

Financial instruments, risk in investment, Risk and Returns measures, Theories and term structure of interest rates; The modern portfolio theory, the capital asset pricing model (CAPM), The arbitrage pricing theory

(APT), financial markets and intermediaries, different investment tools and their markets, mutual funds, market efficiency and anomalies, Analysis of fixed income securities, bond valuation and duration, stock valuation models, dividend discount model, other related issues, Different asset management styles and objectives, Benchmarks and methods for assessing portfolios relative to the benchmark; Sharpe and Treynor indices, investing in securitized instruments and derivatives, international financial instruments. Asset Allocation; Security Analysis – Share valuation, Fundamental analysis, Technical analysis, EMH.

DFA 6218- FINANCIAL RISK MANAGEMENT

Types of risk, interest rate, price, foreign exchange and other market risks, the risk management process: risk identification, measurement and management, diversification theories, internal techniques of risk management, external technique of risk management: derivatives markets, types of derivative: financial, commodity and credit derivatives, Forwards, forward options and forward swaps, pricing of forwards; Futures contracts and trading, interest rate futures, marking to market and margin requirements, pricing futures contracts, Bond futures and stock index futures; The options market, margins and commissions, option pay-offs and option strategies and combinations, hedging and trading strategies, pricing of options, the binomial approach, the BS option pricing model; The Swap market, rationales for swaps, comparative advantage, pricing swaps, swap portfolios, types of swaps, currency swaps, commodity swaps, interest rate swaps, risks in swaps.

DFA 6222 - RESEARCH METHODS FOR FINANCE

Introduction to Research - Research in Finance, Scientific Thinking, The Research Process, The Research Proposal; Ethics in Finance Research; The Design of Research - Design Strategies, Measurement, Scaling Design, Sampling Design; The Sources and Collection of Data - Secondary Data Sources, Survey Methods Analysis and Presentation of Data: Data preparation and preliminary analysis; Hypothesis Testing: tests of significance – one sample tests, two independent samples tests, two related sample tests; Measures of Association: Bivariate Correlation Analysis, bivariate linear regression, nonparametric measures of association; multiple regression; Time-Series and Cross-sectional analysis; panel data analysis.

DFA 6240 - FINANCIAL INSTITUTIONS AND MARKETS

Concepts of Banking, the theory of the Banking Firm; domestic versus International Banking, personal and corporate banking, International Banking, mergers and acquisitions in banking; the emergence of Global Banks; Multinational Banks; disintermediation in Banking; Hire Purchase, Leasing, Venture Capital and trade finance, Islamic finance, Risks in Banking, credit, liquidity, interest rate, market and operational risks measurement and management, Basic principles of insurance.

Financial markets, types of markets, exchange traded and OTC markets, debt and equity, money and capital market, speculation, arbitraging and hedging, Collective investment schemes, the Euromarkets; Eurobond Markets, FOREX market, securitization, insurance (Life & General, Fire, Motor Insurance, Employer's Liability, Personal Accident and incident, Cattle and Crop Insurance, understanding actuarial reports), non banking financial institutions, financial crashes.

DFA 6251 - CORPORATE ETHICS AND GOVERNANCE IN ACCOUNTING AND FINANCE

Corporate governance in Mauritius and in the UK; accountability and responsibility; stakeholder and stockholder theory; Role and responsibilities of Board of Directors; Structure of the Board of directors; Role and responsibilities of Management, Internal Auditor and External Auditor; Users of Financial reports and their expectation; Business Ethics; difference between codes of ethics and the legislation; principle of Independence; code of ethics for professional accountants and chartered financial analysts;

MGT 6100 - RESIDENTIAL SEMINAR

Students will be required to submit a report of not less than 1200 words to their programme coordinator after attendance and participation. Seminar attendance and the report shall be assessed by the Programme Coordinator. Grade 'S' will be assigned upon satisfactory performance to be eligible for the award of the degree.

DFA 6099Y – DISSERTATION

The dissertation will allow the students to explore in depth an area of an issue related to finance. The dissertation will draw upon relevant concepts and techniques introduced during the taught part of the programme and will seek to combine the theory and practice of management through the completion of a

substantial and relevant in-depth piece of work. The number of words in the final year project/dissertation shall be between 10,000-14,000.

19 August 2011