



OTHM LEVEL 7 DIPLOMA IN ACCOUNTING AND FINANCE

Qualification Number: 603/0701/8

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TABLE OF CONTENTS

QUALIFICATION OBJECTIVES	3
QUALITY, STANDARDS AND RECOGNITIONS	3
REGULATORY INFORMATION	3
EQUIVALENCES	4
QUALIFICATION STRUCTURE.....	4
DEFINITIONS	4
ENTRY REQUIREMENTS	5
PROGRESSION	5
DELIVERY OF OTHM QUALIFICATIONS	5
ASSESSMENT AND VERIFICATION	5
RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT	6
EQUALITY AND DIVERSITY	6
CONTACT DETAILS.....	6
UNIT SPECIFICATIONS.....	7
UNIT 01: INVESTMENT ANALYSIS.....	8
UNIT 02: CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE	13
UNIT 03: GLOBAL FINANCE AND STRATEGY	17
UNIT 05: STRATEGIC AUDIT	25
UNIT 06: CORPORATE REPORTING.....	28
IMPORTANT NOTE.....	32

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.

The Level 7 Diploma in Accounting and Finance qualification also provides learners with the opportunity to work toward a relevant Master's programme with advanced standing.

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.	603/0701/8
Regulation Start Date	31-Oct-2016
Operational Start Date	01-Nov-2016
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

OTHM qualifications at RQF Level 7 represent practical knowledge, skills, capabilities and competences that are assessed in academic terms as being equivalent to Master's Degrees, Integrated Master's Degrees, Postgraduate Diplomas, Postgraduate Certificate in Education (PGCE) and Postgraduate Certificates.

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
Y/615/3237	Corporate Social Responsibility and Governance	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
D/615/3241	Corporate Reporting	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 (over 21) with management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)
- Learner must be 18 years 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.

PROGRESSION

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.

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 Qualifications has adopted a policy of providing equal opportunities for its learners, staff, applicants and others involved in its work. One aspect of this policy is its intention to prevent, as far as possible, the harassment of one person by another, whether on the basis of gender, sexual orientation, sexuality, race or ethnic origin, religion, disability, or any other personal attributes or views held. The qualification is expressly designed to support equality of opportunity and widening access to HE to all who can benefit from it, and it will operate on an inclusive and supportive basis to and for all learners.

CONTACT DETAILS

OTHM Qualifications

Regus House, Victory Way, Crossways Business Park, Dartford, Kent DA2 6QD
United Kingdom

Tel : +44(0)20 7118 4243
Email : info@othm.org.uk
Website : www.othm.org.uk

UNIT SPECIFICATIONS

UNIT 01: 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 and Assessment Criteria

Learning Outcomes	Assessment Criteria
1. Understand different types of securities.	1.1 Identify types of securities and associated concepts. 1.2 Evaluate key characteristics of each type of security.
2. Understand the regulation of security trading and new issues in world markets.	2.1 Identify regulations and procedures used in trading securities. 2.2 Analyse the policies and procedures relating to the trading of securities and new issues in world markets. 2.3 Review issues in global markets including the London Stock Exchange.
3. Be able to apply principles of investment theory, securities and market analysis.	3.1 Explain the principles of investment theory. 3.2 Evaluate the use of securities. 3.3 Critically review the underlying concepts of market analysis and efficiency.
4. Understand the principles of taxation.	4.1 Identify 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.
5. Understand the laws and regulations controlling the	5.1 Identify laws and regulations controlling the financial services industry.

financial services industry.	5.2 Evaluate a range of risk mitigation methods used in investments. 5.3 Analyse practical risk mitigation methods.
6. Be able to plan, manage and review client portfolios.	6.1 Identify client portfolios in accordance with customer profiles. 6.2 Make justified recommendations of appropriate types of savings and investments. 6.3 Critically review issues relating to portfolio management.

Indicative contents

Learning Outcome 1

Bonds

- Types and characteristics
- Pricing bonds
- Bond yields
- Term Structure of Interest Rates
- Theories of term structure
- Bond risk - types and measurement.

Equities

- Types and characteristics
- Measures of equity performance
- Equity pricing
- Risk
- Equity evaluation.

Securities

- Types and characteristics
- Synthetic securities - swaps, bundled and unbundled securities.

Learning Outcome 2

Derivatives

- Description
- Evaluation

Forward contracts

- Description
- Evaluation

Financial futures

- Characteristics
- Operation of futures markets
- Types of financial future
- Pricing financial futures.

Financial options

- Characteristics
- Operation of options markets

- Types of option
- Option pricing
- Warrants
- Convertible

Learning Outcome 3

Motives for investment

- Risk & return
- Pricing securities
- Market efficiency.

Money Market Investments

- Markets & investors
- Securities quoted on a yield basis
- Securities quoted on a discount basis.

Learning Outcome 4

Taxation: Definitions and characteristics of-

- Income tax
- Capital gains tax
- Inheritance
- Corporation tax
- Sales tax
- Value Added Tax (VAT)
- Progressive v Regressive taxation.

Principles of Taxation

- Principle of simplicity
- Principle of convenience
- Principle of certainty
- Principle of equality.

Learning Outcome 5

Hedging

- Nature & objectives
- Hedging risk on individual equities
- Hedging market risk on equity portfoliosHedging interest rate risk.

Speculation

- Nature & objectives
- Speculation using futures
- Speculation using options.

Arbitrage

- Nature & objectives
- Arbitrage using futures
- Arbitrage using options.

Learning Outcome 6

Portfolio Management

- Functions of portfolio management
- Active and passive portfolio management
- Portfolio performance measurement.

Managing Client Portfolios

- The Efficient Markets Hypothesis
- The Capital Asset Pricing Model
- The Arbitrage Pricing Model
- Implications for investment strategy
- Portfolio management.

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	Assessment type	Word count (approx. length of coursework)
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
- Investment adviser. London: Financial Times Business: www.ftadviser.com
- Investor's chronicle. London: Financial Times Business: www.investorchronicle.co.uk
- Investment week. London: Incisive Financial Publishing: www.investmentweek.co.uk
- Money management. London: www.ftadviser.com
- Money marketing. London: Centaur Communications: www.moneymarketing.co.uk

UNIT 02: CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE

Unit Reference Number	Y/615/3237
Unit Title	Corporate Social Responsibility and Governance
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 corporate social responsibility and governance. Learners will consider the various ways that businesses and financial institutions need to operate to ensure that society accepts their processes and procedures. Learners will understand the importance of acting in such a way that ethical codes and practices are followed and individual dignity is maintained. Learners will understand the skills required to deal appropriately with governing authorities in the private, public and charitable sectors.

Learning Outcomes and Assessment Criteria

Learning Outcomes	Assessment Criteria
1. Understand laws and practices in a national and international context.	1.1 Identify national and international laws and practices. 1.2 Evaluate the practical application of the legal framework from both a national and international perspective.
2. Understand the nature and importance of corporate governance and ethical behavior.	2.1 Critically analyse the importance of corporate governance and ethical behavior. 2.2 Evaluate ethical issues arising in relation to corporate activities. 2.3 Critically review solutions identified to overcome corporate governance and ethical behavior issues.
3. Be able to assess the impact of financial reporting on a business organisation's stakeholders.	3.1 Identify stakeholder's specific to a named business organisation. 3.2 Evaluate the impact of financial reporting on stakeholders of a named business organisation.
4. Understand the principal approaches of governance and assessment of risk.	4.1 Analyse principal approaches to governance. 4.2 Review how risk can be managed to achieve effective corporate governance.
5. Be able to communicate complex issues in CSR and governance.	5.1 Identify CSR and governance issues in a specific business organisation / setting. 5.2 Critically review CSR and governance issues in an appropriate and professional format.

Indicative contents

Learning Outcome 1

- Definitions:
 - Profession
 - Governance law and practices
- Purpose of governance laws
- Key governance laws and other regulatory issues.

Learning Outcome 2

- Definitions:
 - Corporate governance is the framework of rules and practices by which a board of directors ensures:
 - Accountability
 - Fairness
 - Transparency
 - Ethical behaviour can be defined as the act which is in line with what society and individuals think are good and acceptable values.
 - Agency theory involves directors controlling the company whilst shareholders own the company.
- Accountability and Ethics:
 - Ethical issues, including:
 - Falsifying documents
 - Illegally evading taxes
 - Tax avoidance
 - Fraud
- Application of governance rules and principles in order to overcome those issues that arise from unethical behaviour.

Learning Outcome 3

- Definitions:
 - Stakeholders are the people who can affect or be affected by an organisation's actions. Key stakeholders could include:
 - Employees
 - Directors
 - Government
 - Debtors (Trade receivables)
 - Creditors (Trade payables)
 - Financial Institutions
 - Shareholders
 - Financial reporting is the process of statement production that discloses a business organisation's financial status to a number of key stakeholders. The statements will include:
 - Statement of Financial Position (Balance Sheet)
 - Income Statement (Profit and Loss Account)
 - Statement of cash flows
 - Statement of stock holders' equity
 - Notes to the financial statements.
- Corporate Social Responsibility (CSR) – Theory and Practice.

Learning Outcome 4

- Role of the board of directors and its governance responsibilities
- Remuneration of directors and senior executives
- Principles of good corporate governance, including:
 - Fairness
 - Accountability
 - Responsibility
 - Transparency.

Learning Outcome 5

- Definitions, to include:
 - Corporate social responsibility can be defined as the responsibility for a company's effect on environmental and social well being.
- Reports:
 - The Cadbury report (1992) is issued by “The committee on the financial aspects of corporate Governance” led by Adrian Cadbury that sets out recommendations to mitigate corporate governance risk.
 - The Greenbury report (1995) addresses the growing concern about the level of director remuneration.
 - The Hampel report (1998) is a UK corporate governance report which looks into the achievement of the code's original purpose.
 - The Turnbull report (1999) drawn up with the London Stock Exchange for listed companies.

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	Assessment type	Word count (approx. length of coursework)
All 1 to 5	All ACs under LO 1 to 5	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.

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

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 Edition. Harlow: Pearson Education

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

Journals

- International Journal of Corporate Strategy and Social Responsibility

Websites

- Management Study Guide: <http://www.managementstudyguide.com/portfolio-management.htm>
- Financial Adviser. London: FT Business: www.ftadviser.com
- Investment Adviser. London: Financial Times Business: www.ftadviser.com
- Investor's Chronicle. London: Financial Times Business: www.investorschronicle.co.uk
- Investment Week. London: Incisive Financial Publishing: www.investmentweek.co.uk
- Money Management. London: www.ftadviser.com
- Forbes: <http://www.forbes.com>
- OECD: <http://www.oecd.org/corporate/principles-corporate-governance.htm>
- IOS Press: <http://www.iospress.nl/book/ethics-and-accountability-in-a-context-of-governance-and-new-public-management/>

UNIT 03: 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 and Assessment Criteria

Learning Outcomes	Assessment Criteria
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.
2. Understand the impact of the global business environment on national and multinational business organisations.	2.1 Identify factors affecting the global business environment. 2.2 Assess the impact of identified factors on national and multinational business organisations.
3. Be able to construct strategies that will result in the enhancement of organisational value.	3.1 Identify the current value statement of a named business organisation. 3.2 Explain how a named business organisation achieved its values. 3.3 Recommend strategies that would enhance the value of a named business organisation.
4. Be able to evaluate the financial consequences of strategic decisions.	4.1 Analyse the strategic decision of a named business organisation. 4.2 Evaluate the financial consequences of a strategic decision made by a named business organisation.
5. Understand appropriate sources of finance.	5.1 Explain sources of finance available to business organisations. 5.2 Assess the risk involved in a range of sources of finance. 5.3 Critically review the costs involved in managing global risk.
6. Be able to review techniques to	6.1 Explain risk mitigation techniques.

manage global risk.	6.2 Analyse global risks. 6.3 Review the suitability of techniques used by a named business organisation to manage their global risk.
7. Be able to assess potential investment decisions and global strategies.	7.1 Analyse the potential investment decisions and strategies available to a named business organisation. 7.2 Assess the global environment decisions and strategies affecting a named business organisation.

Indicative contents

Learning Outcome 1

- Definition of globalisation
- Types of globalisation
- Investment processes in globalisation
- Investments which have taken place between countries as a result of globalisation.

Learning Outcome 2

- Definition of the Global Business Environment
- Factors exogenous to the home environment of a business organisation
- Influence of decision making on resource utilisation
- Global Business Environmental Factors:
 - Social
 - Legal
 - Economic
 - Political
 - Technological
 - Environmental (Green Issues)
- Entry and Exit barriers
- Effect of Globalisation and of the Global Business Environment on national and multinational business organisations
- Environmental factors that affect national and multinational business organisations.

Learning Outcome 3

- Business Valuation – definition and purpose
- Strategic implication of mergers
- Post-merger values
- Management theories that enable the understanding of the current market position
- Strategies to enhance value.

Learning Outcome 4

- 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.
- Strategic decisions that consist of less complex, medium term and tactical decisions.
- Financial consequences of making strategic decisions.

Learning Outcome 5

- Sources of finance – definition
- Internal and external sources of finance, for example:
 - Loans
 - Debentures
 - Mortgages
 - Retained earnings
 - Government sources
 - Shares
- Then financial risks associated with using different sources of finance.

Learning Outcome 6

- Use of the Capital Asset Pricing Model
- Cost of Capital
- WACC
- Use of Exchange Rates
- Interest Rates
- Foreign Exchange Rate Risk
- Risk mitigation techniques:
 - Risk Avoidance
 - Risk Mitigation
 - Transfer of Risk
 - Risk Acceptance.

Learning Outcome 7

- Investment appraisal
- Impact of investment appraisal on global financing
- Financial strategies used in the global environment
- Capital investment relating to funds invested in a business organisation for the purpose of furthering its strategic objectives
- Aspects of strategy (often international), which include:
 - Scope of operations
 - Resource allocation
 - Competitive advantage
 - Synergy.

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	Assessment type	Word count (approx. length of coursework)
All 1 to 7	All ACs under LO 1 to 7	Business Report	4500

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*. 9th 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
- Investment Adviser. London: Financial Times Business: www.ftadviser.com
- Investor's chronicle. London: Financial Times Business: www.investorschronicle.co.uk
- Investment Week. London: Incisive Financial Publishing: www.investmentweek.co.uk
- Money Management. London: www.ftadviser.com
- Money Marketing. London: Centaur Communications: 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>

UNIT 04: 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 and Assessment Criteria

Learning Outcomes	Assessment Criteria
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.
2. Understand key financial theories.	2.1 Evaluate key financial theories. 2.2 Assess strategic implementation techniques using balanced scorecard and portfolio management tools.
3. Be able to apply stakeholder analysis and corporate valuation techniques.	3.1 Analyse the significance of stakeholder analysis. 3.2 Analyse business expansion methods and their impact on stakeholders. 3.3 Apply stakeholder analysis to a named business organisation. 3.4 Prepare return and risk computations. 3.5 Explain the concepts of corporate and business valuation techniques.
4. Understand the role of culture in strategic decision making.	4.1 Explain the role of culture in creating a strategy. 4.2 Analyse the role of change management. 4.3 Analyse the role and effect of culture on change management.
5. Understand performance measurement systems.	5.1 Evaluate performance measurement systems. 5.2 Explain financial analysis techniques.

	5.3 Apply financial analysis systems and techniques to practical business problems.
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Indicative contents

Learning Outcome 1

- Strategic analysis of the external environment, internal strategic capability and stakeholder expectations including:
 - PESTEL
 - Five Forces Framework
 - RBV
 - Core Competences
 - Value Chain.

Learning Outcome 2

- Finance theories and their application to financial decision making.
- Strategic implementation techniques
- Portfolio management tools.
- Models of Strategic Management
- Objective setting
- 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.
- Portfolio theory and risk.

Learning Outcome 3

- Organisational culture, including
 - Shared beliefs
 - Norms and Values
 - Roles of culture
- Change management process
- Managing strategic change.
- Concept of value, including:
 - EVA
 - MVA
 - SVA
- Dividend policy, including:
 - relevance and irrelevance
 - signalling
 - clientele effects
- Corporate valuations, including:
 - asset values
 - stock market
 - cashflow
 - dividend valuation.

Learning Outcome 4

- Stakeholder analysis – key project management skill for classifying people who have

- influence over the business
- Shareholder and stakeholder perspectives
- Impacts and management of stakeholder analysis
- Mergers and Acquisitions, including:
 - Motivations
 - Wealth effects
 - Regulation
- The impact on shareholders and stakeholders due to the mergers and acquisition.

Learning Outcome 5

- Investment appraisal techniques, including:
 - Payback
 - Discounted Payback
 - Accounting Rate of Return
 - Net Present Value
 - Internal Rate of Return
 - Risk Appraisal
 - Project Risk.
- Sources of long term finance, including
 - Shares
 - Borrowing
 - Leases
 - Collateral / Security
 - Hire Purchase
 - Grants.
- Ratio Analysis, including:
 - Liquidity ratios
 - Profitability ratios
 - Investor ratios
 - Efficiency ratios
 - Performance ratios.

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	Assessment type	Word count (approx. length of coursework)
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*. 9th Edition. USA: Thomson One

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*.

9th Edition. Kogan Page: London

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

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 Risk and Financial Management
- Strategic Management Journal

Websites

- Financial Adviser. London: FT Business: www.ftadviser.com
- Investment Adviser. London: Financial Times Business: www.ftadviser.com
- Investor's chronicle. London: Financial Times Business: www.investorchronicle.co.uk
- Investment Week. London: Incisive Financial Publishing: www.investmentweek.co.uk
- Money Management. London: www.ftadviser.com
- Money Marketing. London: Centaur Communications: 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/lk/en/student/exam-support-resources/professional-exams-study-resources/p4/technical-articles/economic-value-added.html>

UNIT 05: 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 and Assessment Criteria

Learning Outcomes	Assessment Criteria
1. Understand historic and current auditing processes and procedures.	1.1 Review the historic and current auditing regulatory environment. 1.2 Identify the rules of professional conduct for auditors. 1.3 Critically assess the rules of professional conduct for auditors.
2. Understand the importance of legal and professional requirements when completing an audit.	2.1 Explain the legal and professional requirements when completing an audit. 2.2 Evaluate the importance of the legal and professional requirements on the performance of an audit.
3. Understand audit strategy.	3.1 Analyse audit strategy used in business organisations. 3.2 Assess the effectiveness of the audit monitoring process.
4. Understand the risk involved in the audit process.	4.1 Discuss the risk involved in the audit process. 4.2 Analyse appropriate measures to minimise identified risk. 4.3 Explain the link between account preparation and the audit completed.
5. Understand current developments in auditing.	5.1 Review current developments in auditing. 5.2 Assess the importance of the current developments in audit processes.

Indicative contents

Learning Outcome 1

- The regulatory environment, including:
 - Laws
 - Rules and regulations which are put in place by the state, or other government entities, to control the behaviour and actions of business activities
- Professional conduct – the field of regulation of members of professional bodies acting under statutory or contractual powers.
- Rules of professional conduct to ensure proper standards of professional conduct are observed. Rules to include:
 - Integrity
 - Objectivity
 - Confidentiality
 - Competency.

Learning Outcome 2

- The standards and responsibilities for internal auditors and internal audit activity.
- Impact of the global financial crisis – increase in legal and professional requirements when performing audit processes.

Learning Outcome 3

- The auditing process may include:
 - Requesting documents
 - Preparing an audit plan
 - Holding an open meeting
 - Drafting a report
 - End meeting – to discuss the report.
- Audit Strategy
- Audit Plan.

Learning Outcome 4

- Definition of audit risk
- Types of audit risk:
 - Inherent risk
 - Control risk
 - Detection risk
- The audit risk model – used by auditors to manage the overall risk
- Link between account preparation and the audit conducted
- Definition of a financial audit
- Auditor reports.

Learning Outcome 5

- Current and future audit services
- Internationalisation of accounting and auditing standards – for example, IAS
- Role of information technology in the audit process.

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	Assessment type	Word count (approx. length of coursework)
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*. 9th 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
- Money Marketing. London: Centaur Communications: 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>

UNIT 06: 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 and Assessment Criteria

Learning Outcomes	Assessment Criteria
1. Understand the accounting and finance regulatory framework.	1.1 Identify 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.
2. Understanding accounting concepts, principles and theories.	2.1 Identify key accounting concepts, principles and theories. 2.2 Analyse the importance of accounting concepts, principles and theories.
3. Be able to prepare and interpret accounting information.	3.1 Prepare accounting information. 3.2 Interpret published accounting information. 3.3 Assess published accounting information.
4. Be able to review specific policies, practices and regulations within corporate accounting.	4.1 Identify specific policies, practices and regulations within corporate accounting. 4.2 Review accounting regulations for a named business sector. 4.3 Critically assess the key accounting practices and policies identified for a named business sector.

Indicative contents

Learning Outcome 1

- History of accounting and financial information
- Document development
- Early auditing systems and their development over time
- Useful information provided to business organisations, to include:
 - Growth / expansion strategies
 - Performance management
 - Budget creation
 - Business decisions
 - Investment decisions.
- The regulatory framework and financial reporting
- Reporting Standards
- Frameworks – Principle vs Rule Based Systems
- The importance and the impact of the regulatory framework on business organisations
- International Financial Reporting Standards – accounting standards developed by the International Accounting Standards Board (IASB).

Learning Outcome 2

- Concepts, principles and theories – rules and guidelines of the financial accounting profession.
- Concepts, principles and theories to include:
 - Accruals concept
 - Prudence
 - Materiality
 - Consistency
 - Going concern
 - Business entity concept
 - Money measurement
 - Duality
 - Stability
 - Objectivity.

Learning Outcome 3

- Definitions:
 - 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
 - Accounting for non-current assets, including:
 - Intangibles
 - Government grants
 - Research and development
- Accounting for taxation including deferred taxation
- Accounting for long term contracts
- Group accounting - acquisition basis, including:
 - Goodwill
 - Non-controlling interest
 - Inter-company transactions
 - Statements of comprehensive income
 - Statements of financial position

- Issue and redemption of shares and debt
- Accounting for company failure – liquidations
- Interpretation and critical evaluation of accounting and financial information.

Learning Outcome 4

- Accounting rules and regulations
- UK accounting standards
- Generally accepted accounting principles
- Corporate accounting, including:
 - Preparation of companies' final accounts and cash flow statements
 - Analysis and interpretation of financial results
 - Key events such as amalgamation
- Accounting practices
- Accounting policies.

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 5	All ACs under LO 1 to 5	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
- Investment Adviser. London: Financial Times Business: www.ftadviser.com
- Investor's Chronicle. London: Financial Times Business: www.investorchronicle.co.uk
- Investment week. London: Incisive Financial Publishing: www.investmentweek.co.uk
- Money Management. London: www.ftadviser.com
- Forbes: <http://www.forbes.com>
- Integrated Reporting: <http://integratedreporting.org/corporate-reporting-dialogue/>
- ACCA: <http://www.accaglobal.com/lk/en/student/exam-support-resources/fundamentals-exams-study-resources/f7/technical-articles/conceptual-framework-need.html>

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.