Department of Accounting and Finance
AG215 Business Finance

2026/27 Semester 1
20 Module Credits

Module Details

Module Description

In the first instance this module builds on the introductory investment appraisal material (NPV, IRR, etc) covered in the first year BF123/BF124 and AG105 Finance modules.
The aim of the module is to provide an understanding of financial management within a business enterprise.

The module builds on introductory investment appraisal rules from first year to consider the appropriate cash flows to be evaluated when undertaking an investment project and building up to how to value a business enterprise, and how companies determine their cost of capital for such projects.

The module will also consider financing issues related to the forecasting and management of cash flows over time to ensure sufficient liquidity. Finally, the course will also provide a framework to allow students to understand a company's financial policy decisions relating to payout policy, leasing, raising equity capital in efficient markets, and capital structure.

Teaching Hours

Lectures: All weeks (excluding Monday of week 2 and Friday of week 4) Monday 11am-1pm in JA325, Friday 11am-1pm in JA325.

Labs: Weeks 2-4, Class Test: Week 8 during lab slots

Tutorials: Weeks 5-7 and 9-11

Please see the "Tutorial and Lab Sign Up" tab on the AG215 Myplace page here: [Course: AG215: Business Finance | classes (strath.ac.uk)] for tutorial and lab times/dates. All students are required to sign up for one lab and one tutorial slot. These are available on a first come first served basis.

Attendance at labs and tutorials is compulsory and will be monitored. If your attendance is unsatisfactory then you will receive a warning letter, which will be retained in a departmental file.

If you are absent from a tutorial or lab please email sbs-accfin-admin@strath.ac.uk. If you are absent due to medical reasons please submit medical evidence or self-certificate via Pegasus: Personal Circumstances Procedure | University of Strathclyde

Prerequisites

BF123 / BF124 or AG105.

Contact Details

Lecturer: Patrick McColgan

Room number: Stenhouse Wing 3.24

Office Hours: Please see: Course: AG215: Business Finance

Telephone: 0141 548 3690

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Tutor: James Naanbiar / Faisal Almshaigh

Email: james.naanbiar@strath.ac.uk / faisal.almshaigh@strath.ac.uk

Lab Tutors: Donald Campbell and Martin Kemmitt

Email: donald.campbell@strath.ac.uk / m.kemmitt@strath.ac.uk

Module Learning

Module Aims

The emphasis in this module will be upon the analytical techniques and logical ideas necessary to analyse the firm's investment and financing decisions. The module will discuss the optimal investment decisions of firms, the optimal financial structure to fund these investments and the mechanisms for distributing corporate wealth to shareholders. Through computer-based application of the above material the module will also aim to develop student's understanding of business statistics and sensitivity analysis in investment decisions. It will also enable them to develop skills in the use of spreadsheet software for financial analysis, modelling, decision making and statistical analysis.

Learning Objectives and Outcomes

Subject-specific knowledge and skills

On completing this module the student will have the ability to:

A1. Identify investment projects that increase the firm's market value, using the concepts of net present value and equivalent annual cost, and present this information in a spreadsheet;

A2. Assess the value of a business enterprise using accounting valuation, relative valuation / multiplier approaches, and discounted cash flow methods;

A3. Be able to recognise models for management of the company's working capital and cash balances;

A4. Understanding the implications of the efficient markets hypothesis for corporate financial managers;

A5. Be able to discuss the different ways a company may raise equity capital, including initial public offerings and seasoned equity offerings and understand how the UK regulatory framework limits the discretion of companies in the choice of offering method;

A6. Assess the firm's cost of equity and debt capital, and the weighted average cost of capital (WACC);

A7. Explain why the financial structure used by a firm can affect its market value, with reference to taxes, financial distress costs and incomplete contracting;

A8. Explain why investors care about the payout policy of the firm.

Cognitive abilities and non-subject specific skills

During the module you will:

B1. Problem solving in the issues that face corporate financial managers;

B2. Evaluating alternative theories in the areas that are of concern to corporate financial managers;

B3. Develop team working skills through participation in tutorial workshops;

B4. The ability to independently source and analyse information and present one's findings effectively;

B5. The ability to relate theoretical concepts to the real world;

B6. The ability to use spreadsheets for problems requiring quantitative analysis

Module Structure

Timetable

Teaching Week	Date (dd/mm)	Lecture Time	Module Topic	Textbook Reading	Lab	Tutorial
1	21/09	Mon 11-1	Module introduction + Capital budgeting	Ch. 6-8 (mainly Ch 6)	No lab	No tutorial
	25/09	Fri 11-1				
2	28/09	Mon 11-1	No lecture (local holiday)		Financial formulae in excel	No tutorial
	02/10	Fri 11-1	Further issues in capital budgeting			
3	05/10	Mon 11-1	Company valuation	Ch. 3-5	Capital budgeting in excel	No tutorial
	09/10	Fri 11-1				
4	12/10	Mon 11-1	Introduction to capital structure	Ch. 18-19	Sensitivity analysis in excel	No tutorial
	16/10	Fri 11-1	No lecture			
5	19/10	Mon 11-1	Capital structure 1		No lab	Capital budgeting
	23/10	Fri 11-1	Capital structure 2			
6	26/10	Mon 11-1	Raising equity capital and rights offers	Ch. 15	No lab	Company valuation
	30/10	Fri 11-1				
7	02/11	Mon 11-1	Working capital management	Ch. 26-27	No lab	Capital structure and Raising equity
	06/11	Fri 11-1				
8	09/11	Mon 11-1	Efficient markets theory	Ch. 13	Class test during lab times	No tutorial
	13/11	Fri 11-1	Test feedback and exam prep workshop	n.a.		
9	16/11	Mon 11-1	Leasing	Ch. 17	No lab	Working capital
	20/11	Fri 11-1				
10	23/11	Mon 11-1	Payout policy	Ch. 21	No lab	Leasing
	27/11	Fri 11-1				
11	30/11	Mon 11-1	Review and exam prep sessions	n.a.	No lab	Payout policy
	04/12	Fri 11-1		n.a.		

Assessment and Feedback Details

1. Class Test worth 20%. Date: Tests take place during computer lab time slots in week 8 (9th to 13th November). Feedback/marks will be released on or before Monday 30th of November 2026.

2. Final Exam worth 80%. Date: During the semester 1 diet in December. Marks returned via Pegasus when the University release them.

An overall weighted average mark of 40% is required to pass the module.

Assessment
Students are expected to complete all elements of assessment in the module. Non-submission of any element will lead to an overall mark of zero for the module. Personal circumstances will be considered in line with the Procedure for the Consideration of Academic Mitigation by a Board of Examiners

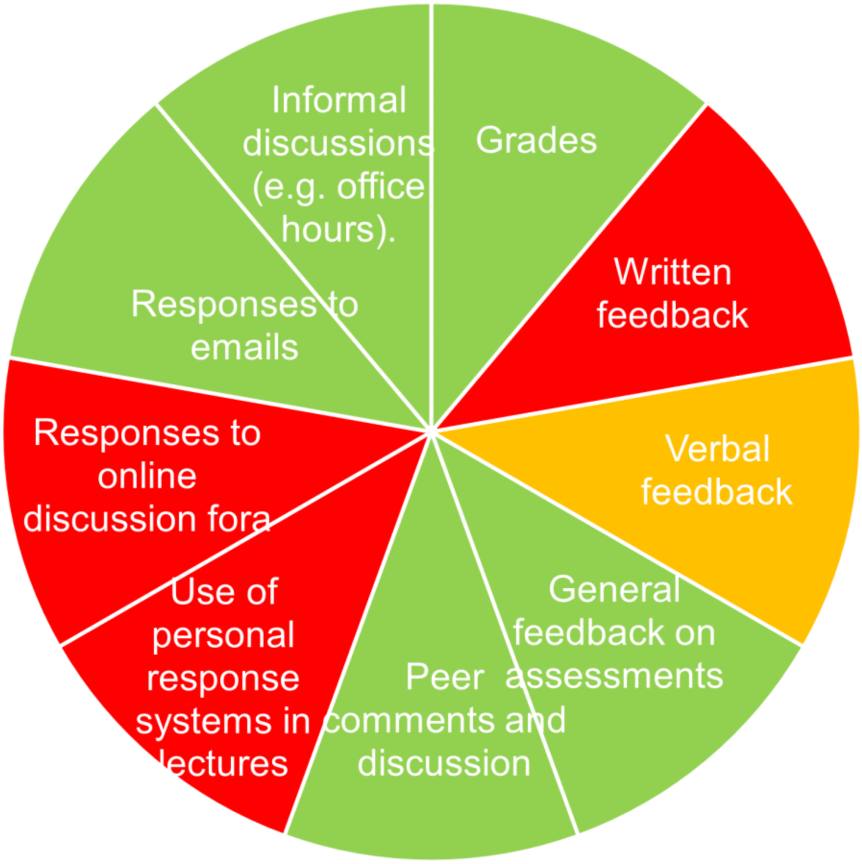
Exam Paper/Class Test Paper Identification Requirements
Students must follow all instructions in the examination booklet/class test booklet and on the examination paper/class test paper relating to candidate identification. Failure to follow these requirements may result in a mark of zero being awarded for the module.

Module Feedback

The following forms of feedback will assist you in this module:

Feedback category	*Details for module*	*Colour*
Grades	Students will receive grades for class test and the final exam. Test grades are returned within 3 working weeks. Final exam grades are returned by student business.	Green
Written feedback	Assessment is through class test and final exam, and so there is no individual written feedback on either component of assessment.	Red
Verbal feedback	Students are able to request individual verbal feedback on class tests (with Martin or Donald) and final exam (with Patrick) following release of marks.	Amber
General feedback	General feedback on class test will be provided during the second week 8 lecture time slot and following the class test. Feedback will also be	Green

	mailed students to students on final exam and overall module performance following release of exam grades.	
Peer comments and discussion	Students will have the opportunity to have peer discussion and receive comments within the tutorial and during exam preparation sessions in lectures during weeks 8 and 11.	Green
Use of personal response systems in lecture	Personal response systems are not scheduled to be used during class lectures.	Red
Responses to online discussion forum	As this is an on-campus class, there is no online discussion forum	Red
Responses to email	Students are encouraged to use office hours and email to ask questions relating to the course material. Students can email the course administrator for general enquiries about the class, issues with signing up for tutorials etc	Green
Informal discussions	There are weekly drop-in sessions for any student wishing to discuss questions with teaching staff. Information on office hours is available under People on the class MyPlace page	Green



Resit Policy

- Students who have failed a module will be given the opportunity to resit the module during the next resit diet.
- Results for resits will not be capped at 40%.

Reassessment

If you do not pass the course on your first attempt or cannot take the exam for medical or personal reasons, you will have to take a re-sit examination. If taking the paper at your second or further attempt, your final assessment will be based entirely on your mark in the re-sit exam. A 40% mark is required in the re-sit examination to pass the class.

Artificial Intelligence

Students are Open to use Gen-AI during Learning and Teaching Activities to support learning in preparation for and during class lectures, workshops and labs, and exam preparation.

You are not permitted to use Gen-AI tools in Assessment Activities for this module covering both the class test and the final examination unless you are a student with an adjustment report on Pegasus where this is explicitly specified as a ‘reasonable adjustment’.

Any student suspected of using such tools will be subject to investigation outlined in the Student_Discipline_Procedure_-_Academic_Misconduct.pdf (strath.ac.uk) process.fg

Reading List

Please refer to the AG215 Myplace page to access the Reading List.

UG Module Manual (1^{st}-3^{rd} Year)

Please refer to the accounting and finance UG manual module for the following (Years 1-3 Module Manual.docx):

- Tutorial Attendance
- Useful Contacts
- Penalties for Late Submission
- Feedback
- Compensation Scheme
- Resit Policy
- Reassessment
- Universal Marking Guide
- Useful Links