

Department of Accounting and Finance

BF123 Introduction to Finance and Financial Analysis

2025/26 Semester 1

20 Module Credits

Module Details

Module Description

The module provides an introduction to finance and accounting, covering the basic concepts and practicalities of corporate finance, the principles of valuation, financial management and business investment, the role and purpose of company accounts and their usefulness, security analysis, risk and returns from investments, and personal finance.

At all times the module content will be linked with financial behaviour and events in the real world.

Teaching Hours

Lectures: All weeks, Monday 3-5pm in GH514 and Tuesday 9-11am in TG312.

Tutorials: Weeks 3-10

Please see the “Tutorial Sign Up” tab on the BF123 Myplace page here: [Course: BF123: Introduction to Finance and Financial Analysis | classes \(strath.ac.uk\)](#) for tutorial times/dates. All students are required to sign up for one tutorial slot per academic year. These are available on a first come first served basis.

Attendance at 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

None

Contact Details

Lecturer: Professor Andrew Marshall and Mr Iain Peers

Room number: Stenhouse 3.25 and Duncan Wing 6.13

Telephone: 0141 548 3894 / 0141 548 3893

E-mail: a_marshall@strath.ac.uk / iain.peers@strath.ac.uk

Office Hours: Please refer to the BF123 Myplace page for office hours.

Tutors: Saeed Jeris / Phindu Lipenga

Email: saeed.jeris@strath.ac.uk / phindu.lipenga@strath.ac.uk

Module Learning

Module Aims

This module aims to provide an understanding of the basic principles of finance and investment, both in theory and in practice. It also provides sufficient coverage of accounting principles to enable an understanding of the purpose and preparation company accounts, their usefulness for decision making and for the evaluation of business performance. The module provides a solid foundation for further studies in Finance. It begins with the concept of a business organisation and the role of the financial manager. It then covers in detail the fundamental concept of the time value of money followed by the valuation of securities such as bonds and shares, the appraisal of business investments. The module then introduces accounting by examining how financial statements are prepared, and the nature of the information they provide for investors and other users of accounts, as well as the behaviour of costs and the use of accounting within organisations. This aspect of the module also embraces corporate governance and the role of directors and auditors. This is followed by a detailed analysis of the risk of investing in financial securities such as company shares, and how this is linked with expected returns. Finally, the module covers important aspects of personal finance in everyday life.

Learning Objectives and Outcomes

The following learning outcomes will contribute to your self-analysis and reflection in your Student's Personal Development Planning (SPDP). These learning outcomes will be assessed using the methods explained in the "Assessment" section in this Outline.

Subject-specific knowledge and skills

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

- A1 Understand the main elements of modern financial theory;
- A2 Understand the objectives of business organisations and the role of the financial manager;
- A3 Understand and apply the concept of the time value of money when valuing assets and investments;
- A4 Use correct procedures to value securities such as bonds and shares, and understand and measure the relationships between rates of return and security prices;
- A5 Understand how financial markets work, how securities are traded, and the role of financial institutions;
- A6 Understand and apply the methods for evaluating business investment with an awareness of the strengths and weaknesses of various appraisal methods;
- A7 Understand role and purpose of accounting in business organisations,
- A8 Understand how income statements, cash flow statements, and statements of financial position are prepared and interpreted; and their relevance and usefulness to business and other users of accounts;
- A9 Analyse business performance through the calculation and interpretation of financial ratios;
- A10 Explain directors' responsibilities and the role of the auditors in corporate governance;
- A11 Understand the nature of different types of risk when investing in securities, how risk is measured and managed, and the risk-return relationship;
- A12 Have an understanding of personal finance, how the main principles of finance and investment apply to the decisions of an individual or family unit;

Cognitive abilities and non-subject specific skills During

the module the student will:

- B1 Develop the ability to execute basic calculations.
- B2 Develop academic skills in reading and writing.
- B3 Carry out practical assignments using analytical skills.
- B4 Work within a group to structure and develop a practical assignment, developing team work skills.
- B5 Access and analyse financial and business information from a variety of sources including newspapers, financial statements, and the world-wide web.
- B6 Develop an understanding of the role of analysis in the development of practical decision

taking techniques.

B7 Evaluate the usefulness of information and financial analysis.

Module Structure

Timetable

Semester 1 – Professor Andrew Marshall Finance / Iain Peers Accounting For Finance/Financial Analysis			
Week	Lectures	Subject	Tutorial this week?
1	1&2 (Both Finance) Reading Lecture Notes Choose one of these additional readings. <i>Hillier et al. - Chapter 1.</i> <i>Brealey et al. - Chapter 1.</i> <i>Watson and Head - Chapter 1</i> <i>Pike et al. - Chapter 1</i>	Finance Why study Finance? Introductory, taster lecture. Case studies and examples. Introduction to Personal Finance Forms of business organization, the corporation. Goals of the corporation and the role of the financial manager. Investment and financing decisions. Financial markets and institutions. Savings and investment instruments, financial products and regulations.	No
2	3&4 (Both Finance) Reading Lecture Notes Choose one of these additional readings. <i>Hillier et al. - Chapter 1.</i>	Finance Principles of valuation The time value of money, compound interest, future values and present values, discounted cash flows, rates of return.	No

	<p><i>Brealey et al. - Chapter 1 and 2.</i></p> <p><i>Watson and Head - Chapter 1</i></p> <p><i>Pike et al. - Chapter 1 and 2</i></p>		
3	<p>5&6 (Accounting And Finance)</p> <p>Reading</p> <p>Lecture Notes</p> <p>Choose one of these additional readings.</p> <p><i>Hillier et al. - Chapter 4</i></p> <p><i>Brealey et al. - Chapter 1 and 2.</i></p> <p><i>Pike et al. - Chapter 3</i></p> <p><i>Watson and Head - Chapter 2</i></p>	<p>Accounting For Finance/Financial Analysis</p> <p>Financial statements</p> <p>Accounting for business decisions, introduction to the role and purpose of accounting. Review of the statement of financial position of a major business corporation</p> <p>Finance</p> <p>Principles of valuation (continued)</p> <p>Multiple cash flows, annuities, and perpetuities</p> <p>Annuities due and growth annuities, mortgages, and amortization. Inflation: real and nominal values.</p>	Yes Finance
4	<p>7&8 (Accounting And Finance)</p> <p>Reading</p> <p>Lecture Notes</p> <p>Choose one of these additional readings.</p> <p><i>Hillier et al. - Chapter 4</i></p> <p><i>Brealey et al. - Chapter 6.</i></p> <p><i>Pike et al. - Chapter 3.</i></p>	<p>Accounting For Finance/Financial Analysis</p> <p>Financial statements</p> <p>Income and cash flow statements, usefulness for decision making. Preparation of statements of financial position. Accounting conventions. Link between accounting numbers and the evaluation of cash flows from business investments.</p> <p>Finance</p>	Yes Accounting For Finance

	<p><i>Fridson and Alvarez - Chapter 2, 3 and 4.</i></p> <p><i>Watson and Head - Chapter 2</i></p>	<p>Inflation: real and nominal values. Application of valuation principles, bank accounts and other forms of saving, costs of borrowing and mortgages.</p> <p>Introduction to Personal Finance</p> <p>Savings and investment instruments, financial products, and regulations</p>	
5	<p>9&10 (Accounting And Finance)</p> <p>Reading</p> <p>Lecture Notes</p> <p>Choose one of these additional readings.</p> <p><i>Hillier et al. - Chapter 4</i></p> <p><i>Brealey et al. - Chapter 6.</i></p> <p><i>Pike et al. - Chapter 3.</i></p> <p><i>Watson and Head - Chapter 2</i></p>	<p>Accounting For Finance/Financial Analysis</p> <p>Financial statements</p> <p>Accounting conventions. Link between accounting numbers and the evaluation of cash flows from business investments.</p> <p>Finance</p> <p>Introduction to Personal Finance</p> <p>Savings and investment instruments, financial products, and regulations</p>	Yes Finance

		curve; government bonds, corporate bonds, and the risk of default. Principles of bond investment.	
--	--	--	--

7	<p>13&14 (Accounting And Finance)</p> <p>Reading</p> <p>Lecture Notes</p> <p>Choose one of these additional readings.</p> <p>•</p> <p><i>Hillier et al. - Chapter 3</i></p> <p><i>Watson and Head - Chapter 2</i></p> <p><i>Fridson and Alvarez - Chapter 2, 3 and 4.</i></p> <p><i>Brealey et al. – Chapter 4</i></p>	<p>Accounting For Finance/Financial Analysis</p> <p>Financial Ratios</p> <p>Measures of profitability, efficiency, liquidity.</p> <p>Finance</p> <p>Valuation of shares and bonds</p> <p>Introduction to Valuation of companies.</p> <p>Dividend growth model.</p> <p>Earnings model. Practical examples of share valuation models.</p>	Yes Finance
8	<p>15&16 (Accounting And Finance)</p> <p>Reading</p> <p>Lecture Notes</p> <p>Choose one of these additional readings.</p> <p><i>Hillier et al. - Chapter 9</i></p> <p><i>Watson and Head - Chapter 2</i></p> <p><i>Fridson and Alvarez Chapter 13</i></p>	<p>Accounting For Finance/Financial Analysis</p> <p>Financial Ratios (cont'd)</p> <p>Measures of gearing and solvency and investment ratios. Interpretation and evaluation of business performance.</p> <p>Investment Appraisal – Valuation of projects</p> <p>NPV, IRR and Payback</p> <p>Finance</p> <p>Risk and return</p> <p>Measurement of stock market returns, the historical record, variability of</p>	Yes Accounting For Finance
	<i>Brealey et al. - Chapter 5 and 7.</i>	returns, variance as a measure of risk, risk and diversification, portfolio theory.	

9	17&18 (Accounting And Finance) Lecture Notes Choose one of these additional readings. <i>Reading Hillier et al Chapter 6 and Chapter 9</i> <i>Brealey et al. - Chapter 6 and Chapter 7.</i>	Finance Risk and return (cont'd) Variance as a measure of risk, risk and diversification, portfolio theory. Accounting For Finance/Financial Analysis Investment Appraisal (continued) – Valuation of projects NPV, IRR and Payback	Yes Finance
	WEEK 9 CLASS TEST – BOTH ACCOUNTING AND FINANCE WILL BE TESTED		
10	19&20 (Accounting And Finance)	Assignment discussion	Yes Accounting For Finance

Assessment and Feedback Details

1. Class test worth 50%. Date: Week 9 during lecture slot – Tuesday 18th November 2025. Details will be given during the course. Marks will be released on or before Tuesday 9th December 2025. Any student who is unable to sit this test due to mitigating circumstances will be able to sit a further test in week 11 provided evidence is uploaded to your Pegasus record, you must contact the UG team (sbs-acccfin-admin@strath.ac.uk) to arrange this

sitting and your Pegasus record must be fully updated with your personal circumstances and evidence.

- Assignment worth 50%. Due: Monday 8th December 2025, 4pm. Marks will be released on or before Thursday 8th January 2026. Details will be given during the course.

Reassessment

There will be one resit test in August, students who fail the course overall and fail the original test should sit this resit test.

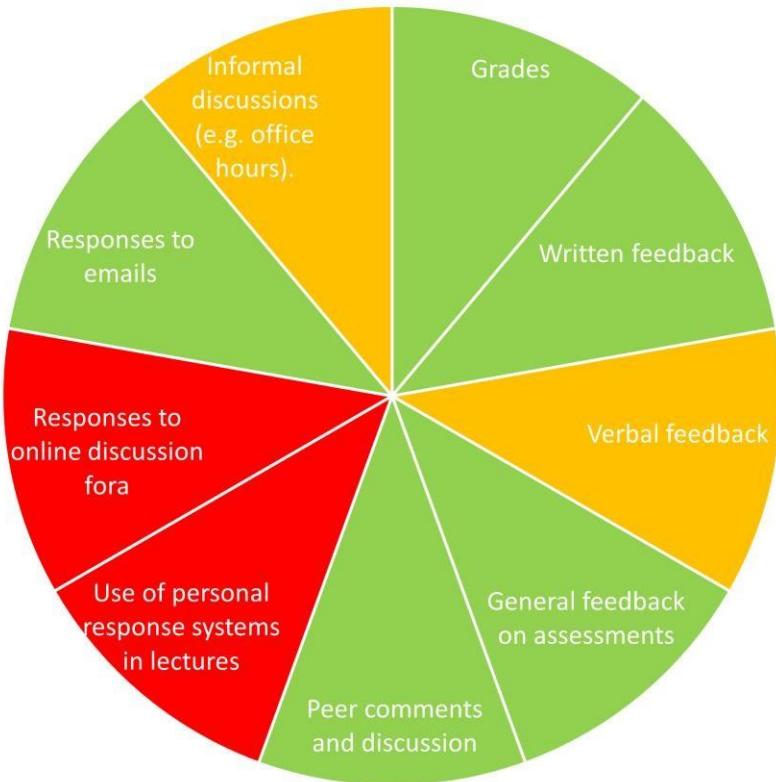
If you fail the course overall and fail the assignment you will resubmit the same assignment with changes based on the feedback received, during the summer with a submission date to be confirmed.

If you fail the course overall and both the test and the assignment you will be required to resubmit the assignment during the summer AND sit the resit test in August.

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

Feedback category	Details for module	Colour
Grades	Students will receive marks on both the class test and the exam.	Green
Written feedback	A model answer to the class test will be available on myplace	Green
Verbal feedback	Students will receive general feedback on the test for the class as a whole.	Amber
General feedback	The average mark and mark distribution for both class test and exam alongside overall written feedback will be shared with students via myplace.	Green
Peer comments and discussion	Students will have the opportunity to have discussions with their peers in class but this is an ad-hoc informal basis.	Green
Use of personal response systems in lecture	The class will use interactive surveys in some sessions.	Red
Responses to online discussion forum	As this is an on-campus class, there is no online discussion form.	Red

Responses to email	Students are encouraged to use the lecture and tutorials sessions to ask questions, however, they can also e-mail the lecturer with any queries they may have.	Green
Informal discussions	Individual meetings can be arranged by appointment.	Amber



Artificial Intelligence

You are not permitted to use Gen-AI tools for this module 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.

Reading List

Please refer to the BF123 Myplace page to access the Reading List.

UG Module Manual (1st-3rd 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