



University of
Strathclyde
Business
School

Department of Accounting and Finance

BF124/AG106 Introduction to Finance and Financial Analysis

2025/26 Semester 2
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

Lecture: All weeks, Monday 3-5pm and Tuesday 9-11am in JA325.

BF124 Tutorials: Weeks 3-10

AG106 students need only attend the above tutorials in weeks 3, 5, 7 and 9.

Please see the "Tutorial Sign Up" tab on the BF124/AG106 Myplace page here: [Course: BF124: 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: Dr Muhan Hu and Mr Iain Peers

Room number:

Muhan Hu: Duncan Wing 6.14

Iain Peers: Duncan Wing room 6.13

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Office Hours:

Please refer to BF124 myplace page for office hours.

Tutors: Benjamin Agyeman / Tanjina Shahjahan

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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 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 Understand 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 2 – Muhan Hu <i>Finance</i> / Iain Peers <i>Accounting</i>			
Week	Lectures	Subject	Tutorial this week?
1	<p>1&2 (Both Finance)</p> <p><u>Reading</u></p> <p><i>Lecture Notes AND</i></p> <p><i>Choose one of these additional readings.</i></p> <p><i>Hillier et al. - Ch 1.</i></p> <p><i>Brealey et al. - Ch 1.</i></p> <p><i>Watson and Head - Ch 1</i></p> <p><i>Pike et al. - Ch 1</i></p>	<p><i>Finance</i></p> <p>Why study Finance? Introductory, taster lecture.</p> <p>Case studies and examples.</p> <p>Introduction to Personal Finance</p> <p>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.</p> <p>Behavioural Finance Introduction.</p>	No
2	<p>3&4 (Both Finance)</p> <p><u>Reading</u></p> <p><i>Lecture Notes AND</i></p> <p><i>Choose one of these additional readings.</i></p> <p><i>Hillier et al. - Ch 1.</i></p> <p><i>Brealey et al. - Ch 1 and Ch 2.</i></p> <p><i>Watson and Head - Ch 1</i></p> <p><i>Pike et al. - Ch 1 and Ch 2</i></p>	<p><i>Finance</i></p> <p>Inflation: real and nominal values.</p> <p>Application of valuation principles</p> <p>Principles of valuation</p> <p>The time value of money, compound interest, future values and present values, discounted cash flows, rates of return.</p>	No

3	<p>5&6 (Accounting And Finance) <u>Reading</u></p> <p><i>Lecture Notes AND Choose one of these additional readings.</i> <i>Hillier et al. - Ch 4</i> <i>Brealey et al. - Ch 1 and 2.</i> <i>Pike et al. - Ch 3</i> <i>Watson and Head - Ch 2</i></p>	<p>Finance Principles of valuation (continued) Multiple cash flows, annuities, and perpetuities. Annuities due and growth annuities, mortgages, and amortization. Inflation: real and nominal values. Introduction to Personal Finance Savings and investment instruments, financial products, and regulations</p> <p>Accounting Financial statements 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>	Yes Finance
4	<p>7&8 (Accounting And Finance) <u>Reading</u></p> <p><i>Lecture Notes AND Choose one of these additional readings.</i> <i>Hillier et al. - Ch 4</i> <i>Brealey et al. - Ch 6.</i> <i>Pike et al. - Ch 3.</i> <i>Fridson and Alvarez - Ch 2, 3 and 4.</i> <i>Watson and Head - Ch 2</i></p>	<p>Finance Valuation of shares Introduction to Valuation of companies. Dividend growth model. Earnings model. Practical examples of share valuation models.</p> <p>Accounting Financial statements 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>	Yes Accounting
5	<p>9&10 (Accounting And Finance) <u>Reading</u></p> <p><i>Lecture Notes AND Choose one of these additional readings.</i> <i>Hillier et al. - Ch 4</i> <i>Brealey et al. - Ch 6.</i> <i>Pike et al. - Ch 3.</i> <i>Watson and Head - Ch 2</i></p>	<p>Finance Valuation of shares (continued) Introduction to Valuation of companies. Dividend growth model. Earnings model. Practical examples of share valuation models.</p> <p>Accounting Financial statements Accounting conventions. Link between accounting numbers and the</p>	Yes Finance

		evaluation of cash flows from business investments.	
6	11&12 (Accounting And Finance) <u>Reading</u> <i>Lecture Notes AND Choose one of these additional readings.</i> <i>Hillier et al. - Ch 3</i> <i>Fridson and Alvarez - Ch 14.</i> <i>Brealey et al. - Ch 6 and Ch 7.</i>	Finance Valuation of shares (continued) Introduction to Valuation of companies. Dividend growth model. Earnings model. Practical examples of share valuation models. Accounting Corporate Governance Role of company directors and auditors; agency problems and the UK corporate governance code. Importance to the integrity of financial statements.	Yes
7	13&14 (Accounting And Finance) <u>Reading</u> <i>Choose one of these additional readings.</i> <i>Hillier et al. - Ch 3</i> <i>Brealey et al. – Ch 4</i> <i>Watson and Head - Ch 2</i> <i>Fridson and Alvarez Ch 13</i>	Finance Valuation of Bonds Bond characteristics; bond prices and yields, yield to maturity and the yield curve; government bonds, corporate bonds, and the risk of default. Principles of bond investment. Accounting Financial Ratios Measures of profitability, efficiency, liquidity.	Yes Finance
8	15&16 (Accounting And Finance) <u>Reading</u>	Finance Risk and return Measurement of stock market returns, the historical record, variability of returns, variance as a measure of risk, risk and diversification, portfolio theory.	Yes Accounting

		Variance as a measure of risk, risk and diversification, portfolio theory	
	<p><i>Lecture Notes AND</i></p> <p><i>Choose one of these additional readings.</i></p> <p><i>Reading Hillier et al Ch 6 and Ch 9</i></p> <p><i>Brealey et al. - Ch 5, 6, and 7.</i></p>	<p>Accounting</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>	
9	<p>17&18 (Class Test and Accounting)</p> <p><i>Lecture Notes</i></p>	<p>Monday Class Test</p> <p>This test will be conducted in person and on paper.</p> <p>Accounting</p> <p>Investment Appraisal (continued)</p> <p>Valuation of projects</p> <p>NPV, IRR and Payback</p>	<p>Yes</p> <p>Finance</p>
10	<p>19 (Accounting)</p>	<p>Monday No Lecture</p> <p>Tuesday Assignment discussion</p>	<p>Yes</p> <p>Accounting</p>
WEEK 12 Group/Individual Assignment submission			

Assessment and Feedback Details

1. Class test worth 50%. Date: Monday 16th March 2026. Marks/Feedback will be released on or before Wednesday 8th April 2026. 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-accfin-admin@strath.ac.uk) to arrange this sitting and your Pegasus record must be fully updated with your personal circumstances and evidence.

2. Assignment (Can be competed as individual or group) worth 50%. Due date is Thursday 2nd April 2026, 12pm. Marks/Feedback will be released on or before Monday 27th April 2026, 12pm.

Reassessment

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

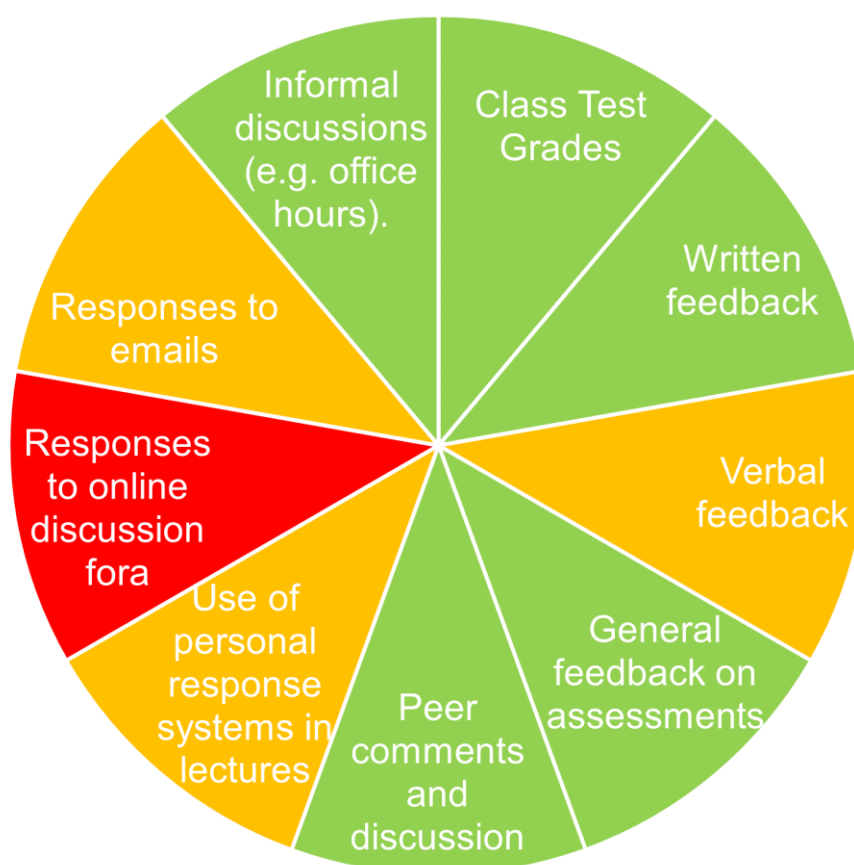
If you fail the course overall and fail the assignment you will resubmit the same assignment with changes based on the feedback received, during the summer with a submission date to be confirmed.

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:

<i>Feedback category</i>	<i>Details for module</i>	<i>Colour</i>
Grades	Students will receive marks on the pieces of assessment according to the relevant grading rubric	Green
Written feedback	Students will receive written feedback on the group project presentation against the marking criteria for the assignment	Green
Verbal feedback	Students can receive verbal feedback on the class test, group project and final exam by attending a drop-in session	Amber
General feedback	A document will provide general feedback on the final exam which will be shared via MyPlace notices. This will include the average mark and mark distribution for the final exam	Green
Peer comments and discussion	Students will have the opportunity to have peer discussion and receive comments within the tutorials	Green
Use of personal response systems in lecture	Lecturers will use a personal response system as appropriate	Amber
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 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	Amber
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



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 BF124 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