

Open University of Mauritius

M.Sc. Financial Management and Taxation -OUpm002

1. Aim

This course is an excellent preparation for a financial career in a diverse range of business organisations. Designed for students with no prior qualifications in accounting or finance, it focuses on tools and techniques for effective financial and tax management and their impact on the day-to-day management of operational and corporate affairs.

The Financial Management and Taxation Masters offers a range of modules enabling you to concentrate on the most relevant and topical areas in the field. The emphasis of the financial management Master's degree throughout is to impart key skills and to relate understanding of financial management and corporate taxation issues to the real world.

Students will develop the technical skills needed to interpret and critically evaluate financial statements and apply decision-making skills to complex situations.

2. Programme requirements

A Bachelor's degree with at least second class from a recognised University or alternative qualifications, including professional qualifications, acceptable to the Open University of Mauritius. Candidates must have a good mastery of English Language. Prior Learning and Prior Experiential Learning may be considered by the University for admission to this programme. Applicants may be asked to pass an entry test.

3. Programme Duration

	Minimum	Maximum
Masters degree	2 years	4 years

4. Minimum credits required for the awards

Masters degree	42 Credits
Postgraduate diploma	30 Credits (without dissertation)
Postgraduate certificate	16 Credits (without dissertation)

Each credit in the University's system is equivalent to a minimum of 20 hours of study including all learning activities (i.e. reading and comprehending the print material, listening to audio, watching video, attending tutorials/counseling sessions, writing assignment responses and preparation for the examinations). Thus, a 3 credit course involves a minimum of 60 hours of study.

5. Assessment

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

Assessment will be based on a written examination of 3 hours duration which would account for 70% of the final module grade and continuous assessment would account for 30% of the final module grade.

Continuous assessment will be based on assignment(s), portfolios and mini-projects. 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 thresholds within the individual continuous assessment and written examination. Learners may re-sit up to a maximum of two failed modules for the semester of the programme.

6. Grading

Marks (x) %	Description	Grade	Grade Point
$x \geq 70$	Excellent	A	5
$60 \leq x < 70$	Very Good	B	4
$50 \leq x < 60$	Good	C	3
$45 \leq x < 50$	Satisfactory	D	2
$40 \leq x < 45$	Pass	E	1
$x < 40$	Ungraded	U	0

7. Award

M.Sc. Finance and Investment with

Distinction : CPA ≥ 70

Merit : $60 \leq \text{CPA} < 70$

Pass : $40 \leq \text{CPA} < 60$

If CPA < 40 , the student will have to repeat the entire academic year, and retake the modules as and when offered. However, s/he will not be required, if s/he wishes, to retake module(s) for which Grade C or above has been obtained. Students are allowed to repeat twice once over the entire duration of the Programme of Studies. No award is made if CPA < 40 . A learner who fails a Masters project / Dissertation and subsequently passes it will only be eligible for the award of a Master Degree at a pass level.

8. Programme Plan

YEAR 1 (TOTAL CREDITS IN YEAR 1 = 21)

MODULE CODE	MODULE	Semester 1	Semester 2	Number of Credits
OUpm002111	Financial reporting and Analysis	√		3
OUpm002112	Financial Theory and Practice	√		3
OUpm002113	Taxation of Unincorporated Business	√		3
OUpm002114	Business and Financial Law	√		3
OUpm002121	Corporate Governance, Social responsibility and Ethics		√	3
OUpm002122	Quantitative Techniques and Research Methods In Finance		√	3
OUpm002123	Corporate Taxation		√	3

YEAR 2 (TOTAL CREDITS IN YEAR 2 = 21)

MODULE CODE	MODULE	Semester 1	Semester 2	Number of Credits
OUpm002211	Corporate Financial Management	√		3
OUpm002212	International Finance and Risk Management	√		3
OUpm002213	VAT	√		3
OUpm002221	Strategic Management Accounting		√	3
OUpm002222	International Taxation		√	3
OUpm002223	Dissertation		√	6

Total No. of credits = 42

9. Syllabus Outline

OUpm002111-Financial reporting and Analysis

Aim

The aim of this module is to understand the significance and relevance of accounting information and the process by which it is acquired. Also, students will be exposed to key responsibilities which include compliance with legal requirements and presentation of financial statements.

Contents

Unit 1: The Regulatory Framework, Conceptual Framework and Presentation of Financial Statements

Unit 2: Accounting for Revenue and Expenses

Unit 3: Accounting for Tangible Assets

Unit 4: Accounting for Intangible Assets

Unit 5: Accounting for Taxation

Unit 6: Consolidated Financial Statements

Unit 7: Financial Statement Analysis

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand the language, concepts and use of financial accounts and reports.
- Demonstrate a sound understanding of the significance of accounting information systems for both effective financial reporting and good corporate governance
- Assess the regulatory framework for the preparation and presentation of financial statements.
- Interpret and critically analyse corporate financial accounts and reports reflecting on the limitations of both published accounts and standard analytical techniques.
- Assess the relationship between financial reporting and corporate governance.
- Show an understanding of selected current issues in financial reporting and analysis.
- Prepare reports and presentations relating to financial matters for organisations.

OUpm002112-Financial Theory and Practice**Aim**

The aim of the module is to provide a fundamental knowledge and understanding of financial markets as well as basic issues in financial theory. In general, issues underlying the use of financial instruments as well as basic financial theories related to financial markets are covered. The module provides students with an understanding on the basic roles and functions of financial markets. In addition, the module will help students to understand basic concepts in financial theory such as time value of money, efficient market hypothesis, risk and return analysis for equities and bonds, portfolio theory as well as discounted investment appraisal techniques. Moreover, the module will provide students with an understanding on the tradeoffs between consumption and investment decisions.

Contents

Unit 1: Introduction to Financial Markets

Unit 2: Time Value of Money

Unit 3: Discounted Cash Flow techniques, Capital Budgeting and Investment Criteria

Unit 4: Fixed Income Securities

Unit 5: Share Valuation, Risk and Return

Unit 6: Market Efficiency

Unit 7: Capital Markets, Consumption and Investment

Unit 8: Portfolio Theory

Learning Outcomes

After successful completion of this module, learners should be able to

- Explain the principal economic functions of financial assets.
- Define a financial market and the principal economic functions it performs.
- Distinguish between debt instruments and equity instruments.
- Classify financial markets.
- Discuss the differences between the primary and secondary markets.
- Discuss the role of derivative instruments.
- Understand the rationale behind the time value of money.
- Understand the differences between simple and compound interest theory.
- Calculate the present value and future value of annuities.
- Assess the issues in relation to the identification of a project's relevant cash flows.
- Assess the difference between discounting (net present value and internal rate of return) and non-discounting cash flow techniques (payback and accounting rate of return).
- Examine the comparative advantages and disadvantages of the investment appraisal techniques.
- Understand the Structure and Characteristics of the Bond Market
- Understand the different types of Bonds
- Understand the Pricing of Bonds
- Analyse the different returns measures on Bonds
- Explain and estimate the components return on a share.
- Calculate the historical holding period return.
- Estimate the price of a share under the Dividend Discount Model
- Assess the risk and expected return of an asset under uncertain conditions.
- Explain the notion of risk, total risk, unique risk and market risk.
- Explain the three forms of Markets Efficiency.
- Determine the soundness of Efficient Market Hypothesis.
- Distinguish between fundamental and technical analysis.
- Explain the different stock market anomalies.
- Discuss the tradeoffs between current and future consumption.
- Discuss the investment consumption decision with and without capital markets
- Assess the significance of the Fisher's separation theorem.
- Assess the function of market imperfection on consumption and investment decisions.
- Assess the significance of diversification in investment decisions.
- Calculate the risk and return of a portfolio of risky assets.
- Explain the Minimum Variance Portfolio.
- Explain the concepts relating to the efficient set.
- Explain the portfolio decisions following the introduction of risk free asset.

OUpm002113-Taxation of Unincorporated Business

Aim

The aim of this module is to develop knowledge and skills relating to the tax system as applicable to individuals and unincorporated business. Students will be provided with issues related to the operation and scope of the tax system for self-employed individuals and partnerships.

Contents

Unit 1: Income tax: self-employed, charges to income tax and computation of liability
Unit 2: Trading income, badges of trade, basis periods
Unit 3: Adjustment income, losses
Unit 4: Partnerships
Unit 5: Relief for interest paid
Unit 6: Capital allowances
Unit 7: Capital gains tax

Learning Outcomes

After successful completion of this module, learners should be able to

- Explain and compute the income tax liabilities of individuals
- Explain and compute the chargeable gains arising on companies and individuals
- Explain and compute the effect of national insurance contributions on employees, employers and the self employed
- Explain and compute the effects of value added tax on unincorporated businesses
- Identify and explain the obligations of capital gains tax
- Explain the use of exemptions and reliefs in deferring and minimising tax liabilities.
- Understand the systems for self-assessment and the making of returns.

OUpm002114-Business and Financial Law

Aim

This module is designed to provide a fundamental knowledge on issues related to business and financial law. In general, legal issues underlying the structure of a business are covered. The module provides students an opportunity to learn the technical jargons which form part of the legal system. It helps students to understand the different technical issues relating to confusion or disputes from a contract. The module also provides students with an understanding of the authorities and liability of agents. In addition, the legal implications behind the conduct of a business through a sole trade, partnership and a company are covered. Students will also learn the basic notions underlying the initial source of financing for companies. Moreover, the module will help students to understand the legal issues surrounding the running and corporate administration of a company as well as the legal implications relating to companies in difficulty or crisis.

Contents

Unit 1: Basic elements of Law

Unit 2: Contract Law

Unit 3: Agency Law

Unit 4: Company formation and constitution

Unit 5: Share Capital and Dividends; Debentures and Loan Capital

Unit 6: Company Meetings and Resolution

Unit 7: Insolvency Administration

Learning Outcomes

After successful completion of this module, learners should be able to

- Explain the approaches and the meaning of Law within a society.
- Assess the different types of Law
- Explain the structure and operation of Courts systems
- Explain the structure and operation of Tribunal systems.
- Assess the issues underlying the doctrine of Judicial Precedent.
- Assess the fundamental elements constituting a valid contract.
- Assess what and what does not constitute an Offer
- Explain the meaning and importance of Acceptance
- Explain the methods available to terminate a contract.
- Assess the importance of Consideration within a contract.
- Assess the issues underlying the Intent to create legal relations.
- Explain the Doctrine of Privity.
- Explain the different issues with regards to the terms of a contract.
- Explain the importance and role of agents in a business environment.
- Assess the establishment of the agency relationship within a business
- Explain the different types of authority which can be conferred to an agent.
- Assess the fiduciary duty and liability of agents.
- Assess the differences between a sole trader, a partnership and company.
- Assess the liability of different partners for partnership debts.
- Explain on the ways partnerships can be terminated.
- Assess the significance of limited liability for members in a Company.
- Distinguish among the different types of companies.
- Assess the role and duties of promoters.
- Describe the registration procedures of a company.
- Assess the main differences between shares and loan capital.
- Explain the different types of shares which a company can issue.
- Explain on the ways allotment of shares is conducted for private and public companies.
- Explain the significance of pre-emption rights for members.
- Assess the merits and demerits of Debentures.
- Distinguish between fixed and floating charges.
- Assess the main differences between Annual General Meeting and General Meetings.
- Explain the different types of resolutions which can be passed by a company.
- Explain on the significance of notices in the conduct of meetings.
- Explain the rights for members and directors to call for a meeting under specific circumstances.
- Assess the elements which are required for the proceedings of a company's meeting.
- Explain the rationale and procedures for voluntary liquidation.

OUpm002121-Corporate Governance, Social responsibility and Ethics

Aim

The aim of this module is to study corporate governance in its economic, political and legal context. Students will be provided with an analytical view on different intellectual positions on the ownership and control of corporations. Also, different comparative international models of corporate governance will be introduced.

Contents

Unit 1: The definitions and objectives of Corporate Governance
Unit 2: The basis of sound governance
Unit 3: The corporate conscience of business
Unit 4: OECD guidelines for Corporate Governance
Unit 5: Moral issues in business context
Unit 6: Global business ethics
Unit 7: The social responsibility of business
Unit 8: The concept of bribery

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand the role of corporate governance in firms where there is separation of ownership from control;
- Understand the importance of corporate governance in sustaining competitive advantage.
- Understand the relationship between strategy and the role of board structures in corporate governance.
- Understand models to assess the structure of business decision making and its relationship to corporate governance.
- Understand the role of social responsibility and business ethics in business decision making.
- Assess the OECD guidelines on corporate governance.

OUpm002122: Quantitative Techniques and Research Methods In Finance

Aim

This module is designed to introduce quantitative techniques used in Finance as well as to provide opportunity to acquire research methods skills that can be applied within other modules, and to give students the skills and knowledge for planning and implementing their final Dissertation/Business Project. The module also provides students with an understanding of the ontological and epistemological issues that underpin the choice of research topic, methodology and method. The module will help students in identifying a subject worthy and capable of research, and to formulate a plan for the implementation of the research process. Students will be able to select and apply appropriate research strategies with particular reference to issues of validity and reliability and objectivity of the research process. They will also find the methods and techniques useful when

carrying out research at their workplace.

Contents

Part I: Quantitative Techniques

Unit 1: Analysing Large Amount of Data

Unit 2: Principles of calculus and matrix algebra

Unit 3: Quantitative techniques for finance and investment

Unit 4: Index numbers

Unit 5: Probability

Part II: Research Methods

Unit 6: Philosophy of research in Accounting and Finance

Unit 7: Introduction to Research Projects/Dissertations

Unit 8: The Research Process

Unit 9: Reviewing Literature

Unit 10: Sampling Strategies

Unit 11: Research Methods

Unit 12: Research Techniques

Unit 13: Introduction to Qualitative Research

Unit 14: Case Study Research in Accounting and Finance

Unit 15: Univariate Data Analysis

Unit 16: Bivariate Data Analysis

Unit 17: Multivariate Data Analysis

Unit 18: Ethics in Research

Learning Outcomes

After successful completion of this module, learners should be able to

- Determine the nature of distribution of data: normality; skewness; kurtosis; and outliers
- Use measures of central tendency, measures of dispersion, and data presentation techniques
- Use ordinary and partial differentiation
- Understand and use matrix operations
- Use arithmetic and geometric progressions
- Solve problems involving simple, compound interest and discount
- Use amortization schedules
- Use price and quantity index and solve problems involving change of base year, deflation and splicing
- Evaluate probabilities
- Solve problems involving conditional probability
- Understand nature of research in Accounting and Finance
- Write a research proposal
- Understands the steps in conducting literature review
- Understand the key concepts associated with sampling
- Define the various research methods and explain their usage
- Understand the importance of the various techniques
- Understand how to develop a structured questionnaire
- Understand various research methods: Focus Groups, Interviews, and Case Study Method
- Carry out analysis involving Normality and Skewness, Kurtosis, Measure of Central Tendency, Measure of Dispersion, Chi-square test, T-tests, Mann-Whitney U test, Wilcoxon test, Correlation Analysis, Regression: linear and multiple and Factor Analysis
- Understand ethics in research

OUpm002123-Corporate Taxation

Aim

The aim of this module is to provide students an in depth knowledge on the application of knowledge and understanding to relevant issues in international business taxation and related legal or economic disciplines.

Contents

Unit 1: Impact of accounting standards on taxable profits
Unit 2: Administration and computation of liability
Unit 3: Computation of taxable profits;
Unit 4: Capital Gains Tax including shares and available Reliefs
Unit 5: Value Added Tax; capital allowances;
Unit 6: International Aspects of Taxation;
Unit 7: Residence and its Implications;
Unit 8: Tax Planning

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand the different accounting standard with regards to the treatment of taxable profit.
- Assess the administration and computation of liability
- Calculate the taxable profits of different businesses
- Understand issues related to Capital Gains Tax including shares and available reliefs
- Compute Value Added Tax and capital allowances
- Understand the International Aspects of Taxation
- Understand the implications of company's residence
- Address issues related to Tax Planning

OUpm002211-Corporate Financial Management

Aim

The Aim of this Module is to develop in students the Knowledge and Competence to take efficient and pertinent Decisions in the Financial Management area. Also, it will help students to cultivate the ability to appraise and decisively assess the Principle Concepts and Techniques used in Financial Management.

Contents

Unit 1: Appraisal of investment decisions
Unit 2: Risk, return and diversification including Portfolio Theory
Unit 3: Market models; CAPM, APT
Unit 4: Capital structure of a firm: does it matter?
Unit 5: Dividend policy: does it matter?
Unit 6: Treasury and risk Management
Unit 7: Acquisition and Mergers

Unit 8: The overseas investment decision and its implications
Unit 9: Analysis of financial statements and valuation techniques

Learning Outcomes

After successful completion of this module, learners should be able to

- Assess the limitations of investment appraisal techniques
- Explain the differences between risk and return and its impact on corporate decision making
- Explain and apply the capital asset pricing models
- Explain and apply the arbitrage pricing theory
- Explain the relevance of capital structure on corporate investment decisions
- Explain the fundamentals of efficient market hypothesis.
- Explain the importance of dividend payouts on corporate investment decisions
- Explain the relevance mergers and acquisitions in the present world
- Analyse the relevance of multinational finance

OUpm002212-International Finance and Risk Management

Aim

The aim of this module is to enable students to give reasoned analyses of developments in international financial markets as well as be familiar with the fundamentals of financing and investing in international financial markets. Students will also be exposed to the conflicting objectives in corporate risk management and their implications within an organization.

Contents

Unit 1: Capital and Ownership structure
Unit 2: Global cost of capital
Unit 3: Corporate strategy and Foreign Investment Decisions
Unit 4: Managing Multinational Operations
Unit 5: Working Capital Management
Unit 6: Capital and Financial markets
Unit 7: Options and Derivatives
Unit 8: Types of Risks
Unit 9: Asset Liability Management
Unit 10: Value at Risk

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand issues relating to the efficiency of foreign exchange markets.
- Understand the pricing of international financial assets and their role in financing investment decisions.
- Explain the financial management problems faced by firms that operate within the international financial environment.
- Understand the relevance of managing and hedging financial risk.
- Understand the financial problems facing firms that operate in the international global environment and the financial tools to minimize these problems.
- Assess how firms deal with the problem of foreign exchange exposure.
- Understand the importance of Asset Liability management framework within an organisation.
- Understand the significance of value at risk as part of the risk management framework within a business.

OUpm002213-VAT**Aim**

The module has been designed to enable students to understand the VAT tax policies and changes in taxpayer behaviour. Students are exposed to the mechanics of tax policy in terms of its administration by central government and to concepts related to tax practitioners/accountants approach taxation with their clients.

Contents

Unit 1: Scope of VAT and charge to tax
Unit 2: Taxable person, supply and consideration
Unit 3: Valuation of supplies
Unit 4: VAT Registration and time of supply
Unit 5: Treatment of input tax
Unit 6: Reliefs and exemptions
Unit 7: Accounting and administration

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand how value added tax works and be able to undertake simple computations of liability.
- Understand the principal effect upon business of VAT.
- Explain the definition and measurement of income and the principles that govern the eligibility of expenditure to be deducted in determining assessable income
- Calculate taxable income for income tax purposes and the liability of an individual after applying reliefs and allowances, with particular reference to traders and including losses
- Calculate an individual's income tax liability for a tax year
- Undertake capital gains tax computations and incorporate the figures into the appropriate period for income and corporation tax computations
- Calculate a company's corporation tax liability by reference to chargeable accounting periods and corporation tax financial years including adjustments for losses and group relief.

OUpm002221-Strategic Management Accounting**Aim**

The aim of this module is provide an in depth knowledge on the different management accounting systems which are vital for strategic planning and control. Students are exposed to concepts related to strategic variance analysis and profit-linked performance measurement models.

Contents

Unit 1: Introduction to Management Accounting;
Unit 2: Budgeting & Budgetary Control;
Unit 3: Costing Techniques
Unit 4: Management Control in Decentralised Organisations
Unit 5: Performance Measurement Models
Unit 6: Management Accounting Framework
Unit 7: Management Accounting Theory
Unit 8: Behavioural Implications of Management Accounting Practices

Learning Outcomes

After successful completion of this module, learners should be able to

- Understand the role of cost and management accounting in the management process
- Explain and demonstrate how different concepts are used to identify costs based on the purposes for which those costs are needed
- Explain the Cost-Volume-Profit model and the limitations of its use
- Critically assess the different costing systems that operate in organisations
- Explain the role of budgeting within the planning process
- Understand how a standard costing system operates and prepare variances
- Discuss the behavioural implications of Management Accounting Practices

OUpm002222-International taxation

Aim

The aim of this module is to provide students with an understanding of the nature of taxation of international activities. Students will be exposed to the problems of financial reporting diversity across countries as well as the various taxation issues of a business located outside the national boundary.

Contents

Unit 1: International Aspects of Tax
Unit 2: Residence and its implications
Unit 3: Tax treaty system and Double Taxation relief
Unit 4: Assessment of Companies trading internationally
Unit 5: Tax evasion and avoidance
Unit 6: Tax heavens
Unit 7: Comparative taxation system

Learning Outcomes

After successful completion of this module, learners should be able to

- Appreciate the differences in accounting systems world- wide;
- Understand how social, economic and cultural factors lead to differences in accounting systems
- Understand the issues relating to the harmonisation of taxation systems
- Understand the potential influences of taxation and behaviour in an international context.
- Discuss the costs and benefits of Double Taxation treaty.
- Understand the implications for tax evasion and avoidance in different countries.
- Explain the taxation issues relating to the residence of a company.

OUpm002223-Dissertation

The research project will allow the student to examine thoroughly an area or a problem related to businesses. The project will draw upon significant concepts and techniques introduced during the taught part of the course and will look for to merge the theory and practice of management through the achievement of a considerable and related in-depth piece of work. The review of the final year project will be based on the compliance of a report which should be in the range of 14,000–18,000 words.