

# **Open University of Mauritius**

## **BSc (Hons.) Finance and Law**

### **OU**

#### **1. Aim**

This programme offers learners the opportunity to develop an advanced interdisciplinary understanding of relevant financial and law frameworks. It provides learners with an understanding of the cross-cutting legal and financial methods which have become imperative for dealing with the modern and rapidly evolving corporate world.

Upon successful completion of the Finance and Law programme, learners will be equipped with the required pre-requisites to face corporate challenges at hand, whether it be in a position at a law firm, in a financial institution or in a governmental regulatory body.

#### **2. Programme Requirements**

##### General Entry Requirements

I. EITHER “Credit” in at least three subjects at School Certificate or General Certificate of Education O-Level or equivalent and “Pass” in at least two subjects at Higher School Certificate or General Certificate of Education Advanced Level or equivalent (Pass in English/ French and Mathematics is desirable);

II. OR Qualifications awarded by other universities and institutions, which have been approved by the Open University of Mauritius as satisfying the minimum requirements for admission.

#### **3. Programme Duration**

Minimum      Maximum

3 years            5 years

#### 4. Minimum credits required for the award

Undergraduate – 116 credits

#### 5. Assessment

Assessments will be based on written examination of 2-hour duration and continuous assessment in the form of assignments. In the final year, students will also be expected to submit a dissertation of 12 000 to 15 000 words. Each module will carry 100 marks. To pass any module the learner needs to score a minimum of 40.0% in continuous assessment (assignment) and the end of semester examination (combined).

Learners may re-sit up a maximum of two failed modules per each 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

BSc (Hons.) Finance with Law with	
1 <sup>st</sup> Class with Honours	CPA $\geq$ 70
2 <sup>nd</sup> Class 1 <sup>st</sup> Division with Honours	60 $\leq$ CPA < 70
2 <sup>nd</sup> Class 2 <sup>nd</sup> Division with Honours	50 $\leq$ CPA < 60
3 <sup>rd</sup> Class	45 $\leq$ CPA < 50
Pass	40 $\leq$ CPA < 45
No Award	CPA < 40

If CPA < 40, the learner 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. Learners are allowed to repeat twice once over the entire duration of the Programme of Studies. No award is made if CPA < 40.

## 8. Programme Structure

### YEAR 1

#### Semester 1

<u>Module Code</u>	<u>Module Name</u>	<u>Credits</u>
OUs023111/FUNDFIN 100	Fundamentals of Finance	4
OUs023112/IT100	IT Essentials	4
OUs023113/FINTHE 100	Financial Theory and Practice-I	4
OUs023114/ACCFUND 100	Fundamentals of Accounting	4
OUs023115/BUSECO 100	Microeconomics-I	4
	<u>Semester 2</u>	
<u>Module Code</u>	<u>Module Name</u>	<u>Credits</u>
OUs023121/FOUNLAW 100	Foundations of law and the Mauritian legal system	4
OUs023122/DROICON 100	Droit des contrats	4
OUs023123/FINMATH 100	Financial Mathematics	4
OUs023124	Financial Theory and Practice-II	4
OUs023125	Macroeconomics -II	4

### YEAR 2

#### Semester 1

<u>Module Code</u>	<u>Module Name</u>	<u>Credits</u>
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OUBs023211	Law of Associations-I	4
OUBs023212/BUSIFIN 100	Business Finance-I	4
OUBs023213	Taxation	4
OUBs023214/MONFIN 100	Financial and Monetary System	4
OUBs023215/RESMETH 100	Research Methodology	4
	<b><u>Semester 2</u></b>	
<b><u>Module Code</u></b>	<b><u>Module Name</u></b>	<b><u>Credits</u></b>
OUBs023221	Law of Associations-II	4
OUBs023222	Business Finance-II	4
OUBs023223/LAWTRUS 100	Law of Trusts	4
OUBs023224	Quantitative Techniques	4

### **YEAR 3**

#### **Semester 1**

<b><u>Module Code</u></b>	<b><u>Module Name</u></b>	<b><u>Credits</u></b>
OUBs023311/INTFIN 100	International Finance	4
OUBs023312/FINDER 100	Financial Derivatives	4
OUBs023313	International Economic Law	4
OUBs023314/LEGFIN 100	Laws related to Financial Services	4
	<b><u>Semester 2</u></b>	
<b><u>Module Code</u></b>	<b><u>Module Name</u></b>	<b><u>Credits</u></b>
OUBs023321	Investment Analysis	4

OUBs023322/IBM 100	International Business	4
OUBs023323/CORGOV 100	Corporate Governance	4
OUBs023324/INSLAW 100	Law of Insolvency	4
OUBs023325	DISSERTATION	8

## 9.Module Outline

<b>OU: Fundamentals of Finance</b>
<b>Contents</b>
<ul style="list-style-type: none"> <li>• Financial Statement and Planning</li> <li>• Time Value of Money</li> <li>• Capital Budgeting Decisions</li> <li>• Sources of Finance</li> <li>• Valuation of Bonds and Other Securities</li> <li>• Risk and Return and Capital Asset Pricing Model</li> <li>• Introduction to Stock Market</li> <li>• Working Capital Management</li> </ul>

<b>Learning Outcomes</b>
<p>After completing this module, learners should be able to</p> <ul style="list-style-type: none"> <li>• appreciate the logic for making better financial decisions;</li> <li>• have basic knowledge of risk, return and investment and the different techniques used to minimize losses.</li> </ul>

<b>OU: IT Essentials</b>
<b>Contents</b>
<ul style="list-style-type: none"> <li>• IT and computers;</li> <li>• Stepping in the computer;</li> <li>• Input and output devices;</li> <li>• Secondary storage;</li> <li>• Systems software;</li> <li>• Systems development;</li> </ul>

- Computer networks;
- Issues and trends in IT

### **Learning Outcomes**

After completing this module, learners should be able to

- explain and use information technology, computers, and computer networks and their application;
- understand how communications systems can help boost productivity.

### **OU: Financial Theory and Practice-I**

#### **Contents**

- The financial system;
- Capital markets;
- Time value of money;
- Capital budgeting;
- Valuation of financial assets;
- Bond analysis;
- Risk, return and diversification

### **Learning Outcomes**

After completing this module, learners should be able to explain main theories of finance as well as their application in financial markets.

### **OU: Fundamentals of Accounting**

#### **Contents**

- Income Statement;
- Control accounts;
- Value Added Tax;
- Stock valuation methods;
- Partnerships;
- Incomplete records;
- Accounting standards;
- Cash Flow Statement.

**Learning Outcomes**

After completing this module, learners should be able to develop an understanding of accounting concepts and principles relating to financial accounting and develop technical skills leading to preparation of financial statements.

**OU: Foundations of Law and Mauritian Legal System****Contents**

- Nature of law
- Sources of law
- Classifications of law
- Historical background of Mauritian law
- Features of the Mauritian mixed legal system
- Separation of powers: legislative, executive, judiciary
- Organisation of courts
- The judiciary in general and the legal profession
- Techniques for interpreting legislation

**Learning Outcomes**

This module aims to provide students with

- a preliminary understanding of basic legal principles;
- a capacity to analyse case law and interpret statutes, and to identify and apply legal principles; and
- an introduction to a variety of theoretical, social and other perspectives on the nature of law.

**OU: Microeconomics****Contents**

- Introduction to business economics;
- Basic concepts and definition;
- The market;
- Demand and price;
- Supply and price;
- Equilibrium, price, output determination and movement to new equilibriums;
- Introduction to elasticity;
- The shortrun production function: total, average and marginal product;
- Costs in the shortrun;
- Production and costs in the longrun;

- Revenue curves and firm's output;
- Profit maximization;
- The meaning of profit for businesses;
- Alternative market structures and perfect competition;
- Monopoly;
- Oligopoly;
- The Aggregate supply aggregate demand model;
- Monetary and fiscal policy

### **Learning Outcomes**

After completing this module, learners should be able to

- use analytical tools required to understand the micro and macro-economic environment within which businesses function; and how this environment has direct relevance to the decision-making processes of managers;
- explain key economic concepts and principles in the context of the business environment;
- evaluate forces that shape the external environment of the firm such as aggregate demand, fiscal and monetary policies play in the economy and their impact on the firm's operations.

### **OU: Droit des contrats**

#### **Contents**

- La formation du contrat
- Les effets du contrat entre les parties
- L'effet relatif du contrat
- L'inexécution du contrat
- Causes d'exonération
- Règles particulières aux contrats synallagmatiques

### **Learning Outcomes**

After completing this module, learners should be able to

- Identify the different conditions for formation of a contract;
- Familiarize with the principal legislation affecting contracts and the ability to analyse and apply this legislation to contractual situations; and
- Understand certain fundamental concepts of the law of contract, including, termination of contract and remedies for breach of contract;
- Develop the ability to analyse disputes arising from a contractual relationship and to give appropriate advice to people involved in such disputes



## **OU: Financial Mathematics**

### **Contents**

- Time value of money;
- Interest rates and discount rates;
- Annuities;
- Continuous payments;
- Equation of value;
- Loans;
- Project appraisal;
- Arbitrage and forward contracts;
- Financial derivatives

### **Learning Outcomes**

After completing this module, learners should be able to :

- Demonstrate understanding of the derivation of the financial equations and formulas;
- Apply same in the computation of the required values

## **OU: Financial Theory and Practice-II**

### **Contents**

- Discounted Cash Flow techniques, Capital Budgeting and Investment Criteria
- Fixed Income Securities
- Share Valuation
- Risk and Return
- Market Efficiency
- Capital Markets, Consumption and Investment
- Portfolio Theory

## **Learning Outcomes**

After completing 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.
- 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.

### **OU: Macroeconomics**

#### **Contents**

- National Income;
- Theories of Consumption and Savings;
- Theories of Investment;
- Theories of Government Spending and Borrowing;
- Mundell-Fleming Model;
- IS-LM framework;
- Exchange Rate Models;
- Rational Expectations & Lucas Critique;
- Supply Side Economics;
- Aggregate Demand and Aggregate Supply Analysis;
- Central Bank Independence;
- Theories of Business Cycle.

#### **Learning Outcomes**

After completing this module, learners need to:

- Appreciate the significance of the main theories underlying consumption, investment, savings, spending and borrowing;
- Demonstrate understanding of the models and frameworks important in macroeconomic analysis.

### **OU: Company Law**

## Contents

- Common forms of business organization
- Key concepts of a company
- Running a business as a company
- The constitution
- Members and meetings
- Directors
- Financing of a company
- Security for loans: debentures and charges
- Receivership
- Winding up

## Learning Outcomes

After completing this module, learners should be able to

- Explain the different medium that can be set up to do business;
- Understand the various duties owed by the shareholders and directors pursuant to relevant legislation; and
- Analyse the legal issues surrounding the running and administration of a company as well as the legal implications relating to companies in difficulty.

## OU: Business Finance-I

### Contents

- Agency problem between shareholders and managers
- Investment appraisal methods
- Risks and Return
- Asset Pricing Models: APT and CAPM and Empirical Evidence
- Capital Market Efficiency&; Stock Market Anomalies
- Gearing, Cost of Capital and Shareholder's wealth; Leasing
- The dividend decision: Theory and Empirical Evidence
- Corporate Restructuring (Mergers, Takeovers and Divestment)

## Learning Outcomes

After completing this module, learners need to:

- Appreciate the prominent theories relevant in making business finance decisions;
- Demonstrate ability to compute risk and return on individual securities and portfolio of securities. ;

- 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.

### **OU: Taxation**

#### **Contents**

- Introduction to the notion of tax;
- Constitutionality of tax laws;
- General principles of taxation;
- Classification of taxes;
- Income tax: personal and corporate taxation;
- Self-assessments, PAYE and current payment systems;
- Institutional aspects of taxation;
- Tax avoidance v. tax evasion;
- International aspects of taxation

### **Learning Outcomes**

After completing this module, learners should be able to

- understand fundamental tax concepts to determine income and deductions, and together with appropriate judicial principles, apply them to personal, business and property scenarios
- analyse the operation of the taxation system and some tax accounting principles.

### **OU: Financial and Monetary System**

#### **Contents**

- The macro-economic environment
- Financial Assets
- Financial Institutions and Markets
- Interest rates
- Monetary Policy

- Analysis of Exchange Rates

### **Learning Outcomes**

After completing this module, learners should be able to

- Demonstrate understanding of the role and components of a financial system.
- Critically assess the significance of monetary policies to achieve a set of macro-economic goals within the economy.

### **OU: Business Research Methods**

#### **Contents**

- Primary and secondary research;
- Quantitative research designs;
- Survey design and administration issues;
- Qualitative research;
- Sampling processes;
- Questionnaire design;
- Information collection process;
- Data analysis
- Interval estimation and Hypothesis testing;
- Single equation regression model;
- Two Variable regression analysis;
- Classical Normal Linear regression Model;
- Two Variable Regression;
- Multiple regression Analysis;
- Estimation and inference

### **Learning Outcomes**

After completing this module, learners should be able to

- understand the key elements of a research project and the key concepts related to research design;
- use appropriate research methods adapted to the needs of their dissertation

### **OU: Law of Association-I**

#### **Contents**

- Types of companies;
- Registration and constitution of Companies,
- Company incorporation;
- Corporate Personality and veil lifting;
- Share Capital and of Public Offering;
- The Management and Control of Companies;
- Directors' Duties;
- Majority Rule and Minority Shareholders' Protection;
- Shareholder Remedies;
- Company Meetings;
- Insider Dealing, Corporate Failure and Insolvency Law;
- The Appointment, Control, Powers, Duties and Release of the Liquidator

### **Learning Outcomes**

After completing this module, learners should be able to

- Explain the different medium that can be set up to do business;
- Understand the various duties owed by the shareholders and directors pursuant to relevant legislation; and
- Analyse the legal issues surrounding the running and administration of a company as well as the legal implications relating to companies in difficulty

### **OU: Law of Association-II**

#### **Contents**

- Sources and Objectives of Insolvency Law;
- Causes of Corporate Failure;
- General Principles of Winding Up;
- The Appointment, Control, Powers, Duties and Release of the Liquidator;
- Powers of the Court;
- Voluntary Winding Up;
- Members' and Creditors' Winding Up;
- Declaration of Solvency;
- Meetings of Members and Creditors;
- Dissolution; Defunct Companies;
- Outstanding Assets;
- Appointment, Powers, Duties and Liability of Receiver;
- Receivers and Managers;
- Classification of "Sociétés";
- General Principles: The Contract of "Société".
- The "Société" as a legal person;
- Formation, Conversion, Merger and Dissolution of "Société"



### **Learning Outcomes**

After completing this module, learners should be able to

- Demonstrate understanding of the various rules governing bankruptcy and liquidation;
- Appreciate the processes involved in voluntary and involuntary insolvency proceedings;

### **OU: Quantitative Techniques**

#### **Contents**

- Classifying and presenting data
- Measures of central tendency and dispersion
- Sampling
- Probability
- Probability distributions
- Time series analysis
- Regression and correlation
- Introduction to hypothesis testing
- Single equation regression model
- Two Variable regression analysis
- Classical Normal Linear regression Model
- Two Variable Regression, interval estimation
- Hypothesis testing Multiple regression Analysis
- Estimation and inference
- Dummy Variables, Multicollinearity and Autoregression
- Unit Roots and cointegration

### **Learning Outcomes**

After completing this module, learners should be able to

- develop learners' abilities to describe, analyse and interpret data thoroughly.



**OU: Business Finance-II****Contents**

- Company Valuation
- Estimation of Cost of Capital
- Credit Risk
- Corporate Finance of Regulated Industries
- Applied Corporate Finance
- Fixed Income Securities
- Hedge Funds

**Learning Outcomes**

After completing this module, learners should be able to

- Display understanding of the main recurring themes in corporate finance;
- Critically assess the various types of risks a business may face and the means to evaluate same;
- Appreciate the motives, benefits and limitations of takeovers, mergers and acquisitions;
- Compute and analyse worth of projects in line with the shareholder-wealth maximisation principle

**OU: Law of trusts****Contents**

- Introduction to equity;
- Types of trusts;
- Creation of trusts;
- Trustees and other actors;
- Tenure of trusteeship;
- Duties of trustees;
- Powers of trustees and courts;
- Termination of trusts;

### **Learning Outcomes**

After completing this module, learners should be able to

- understand the role of trusts in the modern environment;
- explain the circumstances in which a trust should be created and the methods by which this can be done;
- advise as to the proper administration of trusts, including the role of trustees;
- analyse documents creating trusts and be able to describe the operation of those provisions.

### **OU: International Finance**

#### **Contents**

- Global financial markets;
- International parity conditions;
- Foreign exchange markets;
- Political risk management;
- Capital markets and other sources of funding for the global firm;
- Managing multinational operations;
- Working capital management;
- Import and export finance.

### **Learning Outcomes**

After completing this module, learners should be able to

- Provide a rationale for the existence of international financial markets;
- Demonstrate understanding of the working mechanisms of international markets;
- critically assess issues related to sources of finance for firms operating across national boundaries.

### **OU: Financial Derivatives**

#### **Contents**

- Market risks, FOREX, interest and price risks;
- Types of derivatives;
- Forwards and its pricing;
- Futures, marking to market;

- The option pricing models;
- Swaps (Currency and interest rate);
- Value-at-Risk;
- Credit derivatives instruments.

### **Learning Outcomes**

After completing this module, learners should be able to analyse the theoretical framework of the different types of derivatives as well as issues relating to their pricing and risks.

## **OU: INTERNATIONAL ECONOMIC LAW**

### **Contents**

- International Relations;
- General Agreement on Tariffs and Trade (GATT);
- World Trade Organization (WTO);
- Regulation of Imports and Exports;
- International Economic Organisation;
- World Bank & IMF;
- International Contracts;
- Financing of International Trade;
- Letters of Credit and other mode of payment;
- Insurance and Bill of Lading;
- Resolution of Disputes;
- LOME/COTONOU;
- Convention;
- Regionalisation European Union/NAFTA;
- COMESA/SADC

### **Learning Outcomes**

After completing this module, learners should be able to:

- Appreciate the existence and significance of various trade blocks;
- Assess their contribution to increasing world trade and international relations

**OU: Laws related to Financial Services****Contents**

- Functions of law in a financial system;
- The regulatory framework for Mauritius;
- Overview of the Financial Services Act;
- Insurance;
- Banking law;
- Global business;
- Securities market;
- Money laundering.

**Learning Outcomes**

After completing this module, learners should be able to

- have an understanding of the various views, including economic theories, concerning the rationales for and objectives of national financial regulation;
- understand the legal problems arising from national financial regulation.

**OU: Corporate Governance****Contents**

- The definitions and objectives of corporate governance;
- The basis of sound governance;
- OECD guidelines for corporate governance;
- Moral issues in business context;
- International business ethics;
- The social responsibility of business;
- The concept of bribery & whistle blowing.

**Learning Outcomes**

After completing this module, learners should be able to have a foundation knowledge on corporate governance as well as ethical issues in its economic, political and legal context.

## **OU: Law of Insolvency**

### **Contents**

- Sources and objectives of insolvency law;
- Causes of corporate failure;
- General principles of winding up;
- Bankruptcy process;
- Bankrupt's property;
- Appointment, control, powers, duties and release of the liquidator;
- Powers and duties of receiver;
- Winding up;
- Voluntary winding up;
- Declaration of solvency;
- Meetings of members and creditors.

### **Learning Outcomes**

After completing this module, learners should be able to

- understand the legal principles and rules governing bankruptcy and liquidation: including insolvency administration; voluntary and involuntary insolvency proceedings;
- understand the impact of insolvency generally on a corporation's rights and liabilities.

## **OU: Investment Analysis**

### **Contents**

- Introduction to portfolio management;
- Different tools for risk and return measurements;
- Optimal portfolio theory;
- Portfolio management and efficient market hypothesis;
- Active and passive portfolio management;
- Asset allocation framework;
- Types of performance measurement tools.

**Learning Outcomes**

After completing this module, learners should be able to

- Critically assess issues in portfolio management;
- Demonstrate understanding of the different tools and concepts relating to the management of a portfolio in an optimal way;
- Compute the Expected risk and return of a single asset, a portfolio of 2 assets and a portfolio of 3 assets

**OU: International Business****Contents**

- Globalisation;
- International trade theory;
- Foreign direct investment;
- Regional economic integration;
- International monetary system;
- Strategy of international business;
- Entry strategy and strategic alliance;
- Financial management in international business.

**Learning Outcomes**

After completing this module, learners should be able to

- develop knowledge of the concepts, issues and practices of international business;
- understand the theories on contemporary international business practice and the challenges within the global business environment.

**OU: Dissertation**

Learners will submit a dissertation of 12 000 to 15 000 words.

**10. Mode of Delivery**

The modules will be delivered through a mix of ODL and contact-based sessions. ODL modules will have self-learning materials.