Open University *of* Mauritius M.Sc. Finance and Investment-OUpm001

## Objective and rationale

The M.Sc. in Finance and Investment has been developed to produce practical and proactive finance specialists able to meet the demand of the financial sector both locally and abroad with emphasis on their roles in and duties towards the financial community.

It is a rigorous and advanced intellectual training in the area of finance and investment based on the most current and modern academic thinking and industry best practice. The programme is designed for learners who intend to pursue a career in the financial sector. It offers a well-focused education in the theories and methodologies that are utilised today for valuation using financial tools from both the investors and institutional perspective. It also examines the complexities behind the decision making processes required at all levels.

## Programme Aims

The aim of the programme is to impart the knowledge and skills that learners need for a successful career in finance or a related field. It provides learners with a comprehensive theoretical framework based on current and most recent theories. It develops expertise in the relevant empirical skills for learners to undertake analysis of problems encountered in real-life situations. On completing the programme, graduates should have a good understanding of the financial operations and environment, their place in the economy, and of the structure and behaviour of financial institutions in the market. Graduates should also be capable of understanding and applying of a wide variety of analytical techniques for finance and ability to understand some of the models and mathematical techniques used in financial markets. This programme for learners or professional’s focuses on the areas of finance which have a major practical and theoretical interest such as: investment analysis, corporate and investment banking, mergers and acquisitions, derivatives and finance microstructure and taxation.

## Programme requirements

**General Entry Requirements under Direct Entry to Taught Postgraduate Programmes:**

Successful completion of an undergraduate degree with

* + at least a Second Class or 50%, whichever is applicable or
  + a GPA not less than 2.5 out of 4 or equivalent, from a recognised Higher Education Institution.

# OR

An Ordinary Degree or a non-honours degree from a recognized University with at least two years of work experience in the relevant field which demonstrate that a candidate possesses appropriate knowledge and skills at a standard acceptable by the Academic Council.

# OR

Possesses a Bachelor’s degree with an award below a Second-Class degree from a recognised institution and has at least two years of relevant working experience.

# OR

alternative qualifications acceptable to the Open University of Mauritius.

# Note:

* Mature candidates will be considered on their own merit. (refer to OU general rules and regulations)

## Programme Duration

**Minimum Maximum**

Master’s degree 2 years 4 years

## Minimum credits required for the awards

Master’s 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.

## 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 learner 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.

## Grading

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| --- | --- | --- | --- |
| Marks (x) % | Description | Grade | Grade Point |
| x ≥ 70 | Excellent | A | 5 |
| 60 ≤ x < 70 | Very Good | B | 4 |
| 50 ≤ x < 60 | Good | C | 3 |
| 45 ≤ x < 50 | Satisfactory | D | 2 |
| 40 ≤ x < 45 | Pass | E | 1 |
| x < 40 | ungraded | U | 0 |

1. **Award**

## M.Sc. Finance and Investment with Distinction : CPA ≥ 70

**Merit : 60 ≤ CPA < 70**

## Pass : 40 ≤ CPA < 60

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. 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.

## Programme Plan

**YEAR 1 (TOTAL CREDITS IN YEAR 1 = 21)**

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| --- | --- | --- | --- | --- |
| **MODULE CODE** | **MODULE** | **Semester 1** | **Semester 2** | **Number of Credits** |
| **FINREP500/ OUpm001111** | Financial Reporting and Analysis | √ |  | 3 |
| **OUpm001112** | Financial Intermediaries and Markets | √ |  | 3 |
| **CORPFIN 500/ OUpm001113** | Corporate Financial Management | √ |  | 3 |
| **QTRM 500/ OUpm001121** | Quantitative Techniques and Research Methods in Finance |  | √ | 3 |
| **COPGOV 500/ OUpm001122** | Corporate Governance, Social Responsibility and Ethics |  | √ | 3 |
| **INVAN 500/ OUpm001123** | Investment Analysis I |  | √ | 3 |
| **OUpm001124** | Consumer and Corporate banking |  | √ | 3 |

## YEAR 2 (TOTAL CREDITS IN YEAR 2 = 21)

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| --- | --- | --- | --- | --- |
| **MODULE CODE** | **MODULE** | **Semester 1** | **Semester 2** | **Number of Credits** |
| **OUpm001211** | Financial Planning | √ |  | 3 |
| **OUpm001212** | International Trade and Finance | √ |  | 3 |
| **INSIS 500/ OUpm001213** | Investment Analysis II | √ |  | 3 |
| **FRLAW 500/ OUpm001221** | Financial Regulation and Law |  | √ | 3 |
| **FINRISK 500/ OUpm001222** | Financial Risk Management |  | √ | 3 |
| **OUpm001223** | Dissertation |  | √ | 6 |

**Total No. of credits = 42**

## Syllabus Outline

**FINREP 500/ OUpm001111-Financial reporting and Analysis**

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

**Aim**

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

**Contents**

**Learning Outcomes**

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

Show understanding of 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.

**OUpm001112-Financial Intermediaries and Markets**

The module provides an overview of the global financial markets and the function of financial information systems in the context of the broad structure of banks and non- banking financial intermediaries.

**Aim**

Unit 1: The Financial System and Financial intermediaries, Unit 2: Theories of Banking

Unit 3: International and Offshore banking Unit 4: Comparative Banking systems Unit 5: Money and Capital markets

Unit 6: Financial Market Instruments Unit 7: Foreign Exchange Markets

Unit 8: Regulation of Banks and Markets

**Contents**

**Learning Outcomes**

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

Describe the role and structure of the financial markets.

Show understanding of the concepts of financial claim, financial intermediation and financial markets.

Identify the different types of financial intermediaries.

Show understanding of the regulatory framework of financial institutions. Assess the role and functions of international banks.

Show understanding of the mechanism underlying the functioning of foreign exchange markets.

**COPFIN 500/ OUpm001113-Corporate Financial Management**

The aim of this module is to develop in learners the knowledge and competence to take efficient and pertinent decisions in the Financial Management area. Also, it will help learners to cultivate the ability to appraise and decisively assess the principle concepts and techniques used in Financial Management.

**Aim**

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

**Contents**

**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

**QTRM 500/ OUpm001121: Quantitative Techniques and Research Methods In Finance**

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 learners the skills and knowledge for planning and implementing their final Dissertation/Business Project. The module also provides learners with an understanding of the ontological and epistemological issues that underpin the choice of research topic, methodology and method. The module will help learners in identifying a subject worthy and capable of research, and to formulate a plan for the implementation of the research process. Learners 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.

**Aim**

**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

**Contents**

**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
* Apply the steps in conducting literature review
* Explain the key concepts associated with sampling
* Define the various research methods and explain their usage
* Explain the importance of the various techniques
* Explain how to develop a structured questionnaire
* Explain 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
* Explain ethics in research

**CORPGOV 500/ OUpm001122-Corporate Governance, Social responsibility and Ethics**

The aim of this module is to study corporate governance in its economic, political and legal context. Learners 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.

**Aim**

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

**Contents**

**Learning Outcomes**

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

Explain the role of corporate governance in firms where there is separation of ownership from control;

Explain the importance of corporate governance in sustaining competitive advantage.

Understand the relationship between strategy and the role of board structures in corporate governance.

Outline models to assess the structure of business decision making and its relationship to corporate governance.

Describe the role of social responsibility and business ethics in business decision making.

Assess the OECD guidelines on corporate governance.

**INVAN 500/ OUpm001123-Investment Analysis I**

The module aims at developing key concepts in investment theory from the perspective of a portfolio manager. Learners will be able to learn how to address investment problems in a systematic manner.

**Aim**

Unit 1: Portfolio Management: Basic principles

Unit 2: Different tools for risk and return measurements Unit 3: Optimal Portfolio Theory

Unit 4: Technical Analysis Unit 5: Fundamental Analysis

Unit 6: Active and Passive Portfolio Management Unit 7: Asset Allocation Framework

Unit 8: Types of performance measurement tools

**Contents**

**Learning Outcomes**

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

* Explain basics concepts such as index funds, hedge funds, mutual funds.
* Explain the use of technical and fundamental analysis.
* Describe the different tools for risk and return measurements.
* Discuss categories of performance measurement.
* Describe the Asset Allocation framework.
* Distinguish between active and passive portfolio management strategies.

**OUpm001124-Consumer and Corporate banking**

This module is designed to provide a fundamental knowledge on issues related to banking. In general, issues underlying the structure of a bank are covered. The module provides learners an opportunity to learn the technical jargons which form part of the corporate banking system.

**Aim**

Unit 1: Corporate Banking: Meaning and Importance Unit 2: Lending

Unit 3: Trade Services and Products Unit 4: Forex Management

Unit 5: Relationship Management Unit 6: Working Capital Finance Unit 7: Corporate Debt Restructuring

**Contents**

**Learning Outcomes**

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

Explain the business banking environment.

Explain the lending process in the business banking environment.

Explain the main types of products and solutions available in the business banking environment.

Apply financial & non financial analyses in bank lending decisions with business banking customers

Describe relationship management of business banking customers.

Explain the warning signs and actions in response to bad debts of business banking customers.

Explain the actions taken by a bank in response to trading difficulties.

**OUpm001211-Financial Planning**

The aim of this module is to provide learners an in depth knowledge on the financial planning process. Learners will be exposed to issues related to the need and scope of financial planning for individual households as well as for firms.

**Aim**

Unit 1: Introduction to Financial Planning Unit 2: Client Planner Relationship

Unit 3: Financial Plan Monitoring

Unit 4: Regulatory Framework and Code of Ethics Unit 5: Cash flow and Budgeting

Unit 6: Personal Asset Management

Unit 7: Personal Financial Statement Analysis

**Contents**

**Learning Outcomes**

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

* Explain the financial planning process
* Explain the role of the financial planner
* Analyse and gather client data within the financial planning process
* Explain the importance of proper asset management
* Describe the basic concepts behind a cash flow statement
* Assess the relevance of key financial ratios with regards to the financial planning decision process.

**OUpm001212-International Trade and Finance**

The aim of this module is to enable learners to combines the theory, policy and practical application of concepts in the field of international trade and finance. Learners will lean the complex market and non-market forces shaping the global flows of goods and services.

**Aim**

Unit 1: Introduction to the global economy

Unit 2: Introduction to international Financial Markets Unit 3: The Ricardian trade model

Unit 4: Concepts for regional integration

Unit 5: international institutions in the global economy Unit 6: Trade in Services

Unit 7: Foreign Outsourcing

**Contents**

**Learning Outcomes**

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

* Explain the different theories of international trade, their scope and limitation.
* Explain the patterns of trade, gains from trade and outsourcing.
* Explain the effects of international trade on income distribution.
* Describe the mechanisms underlying the international financial markets.
* Describe the logic and limits of international institutions in the global economy.
* Explain the implications surrounding the Bilateral Trading Arrangements.
* Describe the market and non-market forces driving economic cooperation.
* Describe the opportunities/ threats of the various stages of regional integration.

**INVSIS 500/ OUpm001213-Investment Analysis II**

The module has been designed to enable learners to understand complex issues relating to fixed income analysis. Learners will be exposed to the risks pertaining to fixed income securities in investment decisions.

**Aim**

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| **Contents** |
| Unit 1: Overview of Fixed income securities Unit 2: Bond pricing and return measures  Unit 3: Risks associated with investing in Fixed Income Securities Unit 4: Price volatility characteristics of fixed income securities Unit 5: Convexity  Unit 6: The Term Structure of Interest Rates Unit 7: Bond Immunisation |
| **Learning Outcomes**  **After successful completion of this module, learners should be able to**   * Identify the characteristics of Fixed Income Securities * Distinguish between different types of bonds * Explain the risks and credit ratings of bonds * Describe the concepts related to duration and immunisation of a bond portfolio. * Describe the implication of convexity with regards to investment decisions. |

**FRLAW 500/ OUpm001221-Financial regulation and Law**

The aim of this module is provide an in depth knowledge on the theoretical and practical approaches to the regulation of financial services. Learners will also be exposed to the regulatory problems in the financial services sector.

**Aim**

Unit 1: Introduction to Law

Unit 2: The nature of financial services regulation Unit 3: Current issues in financial services regulation

Unit 4: The impact of globalisation and Financial Regulation Unit 5: Legal institutions and financial services

Unit 6: Corporate governance and financial services

Unit 7: Challenges and legal reforms within the financial services sector

**Contents**

**Learning Outcomes**

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

* Recognise the main issues in the regulation of financial services
* Assess issues to business regulation and to the practical problems of provision
* Assess the regulatory problems in financial services
* Discuss plausible solutions to the major current financial difficulties
* Explain the role of good governance to regulate the financial services sector
* Describe the different legal institutions operating within the financial services sector
* Describe the major challenges for legal reform in the financial services sector

**FINRISK 500/ OUpm001222-Financial Risk Management**

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| **Aim** |
| The aim of this module is to provide learners with an understanding of identifying and managing the financial risks pertaining to a business enterprise or to an individual. Learners will learn the use of different financial instruments to mitigate exposure to external risks. |

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| **Contents** |
| Unit 1: Types of Risk Unit 2: Credit Risks Unit 3: Market Risks  Unit 4: Interest Rate Risks Unit 5: Currency Risks  Unit 6: Enterprise Risk Management  Unit 7: Best Practice Policies and Risk Management |

**Learning Outcomes**

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

* Assess the different types of risks present within a finance and non-finance organisation.
* Outline the financial instruments available to manage credit risk.
* Assess measures to counter foreign exchange rate risks.
* Assess measures to manage interest rate risks.
* Describe the credit risk pertaining to individual borrowers and businesses
* Explain the relevance of Enterprise Risk Management
* Discuss the best practice policies to manage risks

## OUpm001223-Dissertation

The research project will allow the learner 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.