



**Undergraduate programmes**

**Syllabus**

## Financial Management 2

**Module Code: FM201**  
**Credits: 20**  
**IMM GSM Year Level: 2**  
**NQF Level: 6**  
**Nature: Fundamental**  
**Status: Undergraduate**

### Module Specific Outcome/s

Develop basic financial insight on a theoretical and practical level.  
 Analyse expenditure and income of a business successfully.  
 Prepare an income statement and balance sheet.

### Description of Units

Unit	Description	Learning Outcomes
1	Overview	Explain the use of the corporate report's constituent parts and the relevance and impact of this for marketing practitioners. Identify the users of the corporate report. Describe the basic accounting principles. Explain the characteristics of useful financial information.
2	Accounting statements	Explain a transaction's cash implications. Record transactions in the quadrant. Identify (ledger) balances as belonging to the income statement or balance sheet. Draft financial statements from the quadrant or trial balance. Discuss the meaning of the term profit from a marketing perspective.
3	Current and non-current assets	Describe the capital expenditure process. Exercise judgement on the nature of costs. Calculate depreciation as per specified method. Determine inventory cost and link this to distribution and logistics strategy. Determine the net realisable value of inventory and link this to segmentation strategy and target marketing. Account for doubtful and bad debt. Describe the impact of inventory on profit. Describe the impact of debtors on cash.
4	Financial Analysis: Customer metrics, predictive analysis of consumer buyer behaviour	Describe the difference between business and financial risk. Calculate accounting ratios and explain how a company is performing in the light of such ratios. Analyse financial statements and evaluate business and financial risk. Evaluate performance by comparison of financial statements. Explain the circumstances under which a particular valuation method should be used. Determine the growth of a company and industry growth analysis. Calculate maintainable earnings. Calculate an appropriate price/earnings ratio. Determine segmental contribution to the business.
5	Funding and capital structure	Draft a cash flow statement. Interpret the movement of cash within a specified period. Explain the use of a cash budget. Prepare a cash budget. Explain the difference between cash and profit. Describe the benefits of equity for the capital structure. Explain the impact of debt on gearing. Discuss the sources of funds and their impact on profitability. Evaluate the capital structure. Explain the significance of working capital. Discuss the advantages of holding inventory from a marketing/channel management perspective. Describe the credit control process. Calculate the benefit from a trade-off scenario.