LONDON CAPITAL COMPUTER COLLEGE

Advanced Diploma in Finance

Finance issues bring turmoil and confusion to ordinary citizens and organisations alike, due to bad financial decisions, resulting in huge losses. The Advanced Diploma in Financial Management introduce important topics which will help Financial Managers make helpful and constructive decisions.

Why does the course exists – The objective of this course is to introduce candidates to the principles of the modern theory of corporate finance. These principles are applied to the investment and financing decisions of individuals and firms. Emphasis is placed on the role of time and uncertainty in making investment and financing decisions.

How does it fits into the larger programme – The demand for experienced financial professionals and advisors is steadily rising as more businesses, companies, and individuals are confronted with a competitive economy. Financial managers can be found in almost every industry.

For who it was designed – The Advanced Diploma in Financial Management is designed for those who complete the Diploma in Financial Management or equivalent qualification holders interested in pursing Financial Management.

How it will benefit candidates – A finance career is commonly found in banking, financial institutions, government offices and big organisations which recruit on regular basis. Some financial managers choose to own and operate their own businesses and work as independent contractors.

Subjects:

- Behavioural Corporate Finance
- Financial Risk Management
- Quantitative Methods for Business
- Finance Theory
- Economics of Social Issues

Behavioural Corporate Finance - when thinking about a firm’s financing and investment decisions, rational executives are guided by a belief in the efficiency of markets. But what if markets aren’t always as efficient as we believe they are? And what if executives themselves are not rational, and their decisions are biased in some predictable way? This second question, central to research in a new academic discipline called behavioural corporate finance, forces the industry to re-examine conventional ideas about corporate finance and compensation strategies. Behavioural finance (of which behavioural corporate finance is a subdiscipline) integrates psychology and economics into the study of human judgment and biases in decision making under conditions of uncertainty. Because of this work, based largely on the pioneering ideas of psychologists Daniel Kahneman and the late Amos Tversky, the industry no longer automatically assume that markets are efficient or investors rational. In 2002, Professor Kahneman was awarded the Nobel Memorial Prize in economics.

Financial Risk Management – Financial risk management is a process to deal with the uncertainties resulting from financial markets. It involves assessing the financial risks facing an

organisation and developing management strategies consistent with internal priorities and policies. Addressing financial risks proactively may provide an organisation with a competitive advantage. It also ensures that management, operational staff, stakeholders, and the board of directors are in agreement on key issues of risk. Managing financial risk necessitates making organisational decisions about risks that are acceptable versus those that are not. The passive strategy of taking no action is the acceptance of all risks by default. Organisations manage financial risk using a variety of strategies and products. It is important to understand how these products and strategies work to reduce risk within the context of the organisation's risk tolerance and objectives. Strategies for risk management often involve derivatives. Derivatives are traded widely among financial institutions and on organized exchanges. The value of derivatives contracts, such as futures, forwards, options, and swaps, is derived from the price of the underlying asset. Derivatives trade on interest rates, exchange rates, commodities, equity and fixed income securities, credit, and even weather.

Quantitative Methods for Business - when a person is ill or has had an accident and received an injury there are many variables associated with the incident which could be measured. An infection may cause the person's temperature to rise, a broken bone will cause pain. There may also be psychological consequences which a researcher may wish to measure, e.g. anxiety or health beliefs. The methods used to measure these variables will very often be of a quantitative nature. The researcher will use techniques which allow some form of number to be used to assess or quantify the condition under investigation. They will seek to investigate the relationships between variables using systematic controlled observations. These observations of a carefully chosen sample of the population of interest, and the associated statistical procedures, will enable researchers to test their hypotheses and verify or refute the theories which attempt to explain the observations.

Finance Theory - numerous economists have explained the role of finance in the market with the help of different finance theories. The concept of finance theory involves studying the various ways by which businesses and individuals raise money, as well as how money is allocated to projects while considering the risk factors associated with them. There are a number of finance theories that offer separate approaches to the finance hypotheses. Some of the major popular finance theories of the world are: Arbitrage pricing theory, Rational choice theory, Prospect theory, Cumulative prospect theory, Monte Carlo option model, Binomial options pricing model, Gordon model, International fisher effect, Black model, and Legal origins theory.

Economics of Social Issues - looks at the wider context of economic analysis. Many issues locally, nationally, and internationally relate to economic principles. Abject poverty is without question the major economic problem of the world. This has always been so, but it has become the focus of great concern for nations and for large numbers of persons in recent years. To understand its causes and achieve its possible alleviation, an understanding of the nature of economics and economic activity is necessary. Economic activity is generated by the wants of human beings, which seem to be insatiable in the aggregate. The means available in any economy for satisfying the wants of its population are scarce. They consist of the economy's resources— its labour and its capital—along with its available technology. The supplies of resources, together with the level of technology available, determine the maximum GDP that the country can produce to satisfy wants.