

MA IN HERITAGE MANAGEMENT
University of Kent and the Athens University of Economics & Business

MODULE OUTLINE

Title:	Finance for Cultural Organizations
Instructor (s):	Dr. Dimitrios Psychoyios
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Office:	504, Deligiorgi 107, 185 34 Piraeus
Office Hours:	Please make an appointment to arrange a meeting before classes. Email will be the alternative mode of communication.

I. Aims:

The aim of this non-technical module is to develop an understanding of modern finance theory and practice for organisations managing cultural heritage. It provides the basic concepts, fundamental approaches and key tools for aspiring decision makers who do not necessarily hold financial positions or backgrounds. It will equip students with the state-of-the art tools, methodologies and ideas needed in making and analysing the two key decisions in finance concerning Investments and Financing.

II. Learning Outcomes:

On completion of this module successful students will have achieved the following learning outcomes:

1. Understand the key issues affecting finance decisions.
2. Appreciate the risk-return trade-off.
3. Evaluate capital investment projects using different methodologies.
4. Have a broad knowledge of issues related to the key goals, concepts, stakeholders, problems, decisions, variables, imitations and tools involved in the financial management of an archaeological site as a tourist destination.
5. Build simple budgets and financial forecasts and utilize them in order to substantiate business plans and capital budgeting decisions.
6. Understand the various financing options, sources and procedures that are available for funding investments.

III. Content:

The module will cover such topics as

- Financial statements: the balance sheet, income statement, and cash flow statement.
- Preliminary accounting concepts, including accrual versus cash accounting, accounting for inventories and depreciation, etc.
- Financing operations and growth. The sources of debt and equity capital.
- Time value of money
- The money and capital markets.
- Budgeting
- Financial tools for decision making: Payback Period, Net Present Value, Internal Rate of Return

III. Teaching and learning methods:

Formal contact hours: 12 x 2-hour classes.

Additional study time: 70 hours on private study and assessed coursework.

IV. Learning materials:

The module will use journal articles and handouts. Some texts you may need to consult and for which directed reading will be suggested in classes, are

- Main Textbook:
 1. Ross, S., Westerfield, R., Jordan, B. (2011) Essentials of Corporate Finance, 7th Edition, Mcgraw Hill (RWJ)
- Supplement Textbooks:
 2. Harvard Business Essentials (2003), Finance for Managers, Harvard Business Press (HBE)

MA IN HERITAGE MANAGEMENT

University of Kent and the Athens University of Economics & Business

3. Atrill, P. and McLaney, E. (2011). Accounting and Finance for Non-Specialists, 7th edition, Prentice Hall (AMc).

Detailed reading suggestions will be given during the module. An important source of learning materials during the module is the module's website.

V. Module Evaluation:

Assessment activity	Length required	Weighting within module
Group (up to 3 members) project on the financial management of an archaeological site as a tourist destination.	Maximum 2,500 words plus charts and appendix	40%
Examination	2 hours	60%

Students will be asked to develop the financial part of a business plan relating to the financial exploitation of a hypothetical archaeological site located at Eleusina. Students are expected to use the techniques taught in the module so as to provide staffing and operating budget projections, an analysis of potential revenues and operating expenses, based on the unique characteristics of the site and on comparable profiles of other cultural organizations.

The written assignment will be submitted to the instructor via email until the first Sunday after the final exams of the module. The oral presentations will be scheduled during the module.

This module will be assessed in accordance with the programme's policies on,

- Word length
- Late submissions
- Plagiarism
- Reference style

For the details of each of these policies, please refer to your programme handbook.

VI. Timetable and Readings

Lecture/seminar	Topics Covered	Readings
1. Foundations of Financial Management	<ul style="list-style-type: none"> • First Principles • The Firm, The Economy and the Markets • Corporate Finance Objective Functions 	RWJ. Ch.1 HBE. Ch. 1,2 AMc. Ch.1
2. Financial Statements	<ul style="list-style-type: none"> • Balance Sheet, Income Statement, Statement of Owner's Equity, Statement of Cash Flows 	RWJ. Ch.2,3 HBE. Ch. 1,2 AMc. Ch.2,3,4,5,6
3. Working with Financial Statement	<ul style="list-style-type: none"> • Balance Sheet, Income Statement, Statement of Owner's Equity, Statement of Cash Flows • Financial Ratios 	RWJ. Ch.2,3 HBE. Ch. 1,2 AMc. Ch.2,3,4,5,6
4 Time Value of Money	<ul style="list-style-type: none"> • Future Value of Money • Present Value of Money • Annuities 	RWJ. Ch.4,5 HBE. Ch.8 AMc. Ch.10
5. The Financial Markets I	<ul style="list-style-type: none"> • The role of financial markets • Market Participants • Interest Rates 	RWJ. Ch.6,7 HBE. Ch.5,6 AMc. Ch.12
6. The Financial Markets II	<ul style="list-style-type: none"> • Types of Debt • Equity Markets 	RWJ. Ch.6,7 HBE. Ch.5,6 AMc. Ch.12
7. Security Evaluation	<ul style="list-style-type: none"> • Bond and Stock Valuation 	RWJ. Ch.6,7 HBE. Ch.5,6 AMc. Ch.12
8 Investment Appraisal I	<ul style="list-style-type: none"> • Investment Appraisal Tools • Net Present Value, • Internal Rate of Return 	RWJ. Ch.8,9 HBE. Ch.8 AMc. Ch.10

MA IN HERITAGE MANAGEMENT
University of Kent and the Athens University of Economics & Business

9 Investment Appraisal II	<ul style="list-style-type: none">• Other Investment Appraisal Tools• Investment Appraisal under uncertainty	RWJ. Ch.8,9 HBE. Ch.8 AMc. Ch.10
10. Cost of Capital	<ul style="list-style-type: none">• Cost of Capital estimation	RWJ. Ch.12,13,16,17 HBE. Ch.7,8 AMc. Ch.12
11. An Overview of Corporate Financing	<ul style="list-style-type: none">• Alternative Sources of Capital• Raising Capital• Short-Term Financial Management & Planning	RWJ. Ch.12,13,16,17 HBE. Ch.7,8 AMc. Ch.12
12. Leverage and Capital Structure	<ul style="list-style-type: none">• Basics of Financial Leverage• Optimal Capital Structure	RWJ. Ch.12,13,16,17,18 HBE. Ch.7,8 AMc. Ch.12