

**FINANCIAL ENGLISH**  
**Syllabus**

Approved by  
the Academic Council  
Protocol No3 dd. October 1, 2019

The author	Oksana Soboleva, FCCA, senior lecturer, Faculty of Economic Sciences, School of Finance
Credits	3
Contact hours	56
Self-study	58
The year of study	1
The status of the course	Compulsory
Language of instruction	English
The format	Full-time format

### **1. Course objectives, Learning Outcomes and Prerequisites**

The course will enable students to improve reading, speaking, writing and listening skills they need to use in the financial context communication. The teaching focus is made on such financial topics as planning, budgeting, accounting, auditing, banking system, business development, corporate governance, different ways of raising capital. This will allow students to successfully proceed with other courses they will cover in the course of “Corporate Finance” master program and to develop language skills necessary to pursue a career in finance. The course will increase students’ communication proficiency that will enable them to work effectively within industry and to participate in discussions on corporate finance topics. Furthermore, studying academic and finance press articles on the course topics will develop students’ reading skills.

The main objectives of the course are to develop the core language competences necessary for successful professional and educational activity.

The learning outcomes of the course are:

- building professional vocabulary on the topics of the course and the ability to practice it in different contexts
- developing listening comprehension skills and the ability to understand conversation on the topics of the course
- developing writing skills: writing essays, preparing summaries of financial texts and articles
- obtaining skills of reading and analysing academic and financial press articles
- developing communication skills: ability to discuss a vast number of financial topics and to perform in various professional roles

The proficiency in the English language at the level B1 - B2 are the essential prerequisites for this course. Financial background is preferable but not necessary.

## 2. The Course Outline

Topic	Hours	Self-study
<b>Module 1</b>		
<b>1. Financial Planning</b> <ul style="list-style-type: none"> <li>• Making financial forecasts and discussing cash-flow issues</li> <li>• Selected article: <i>Why forecasts are necessary by Buttonwood (The Economist)</i> The author rebuts the criticisms of financial forecasts and proves their relevance from the economic and political points of view.</li> </ul>	5	6
<b>2. Budgeting</b> <ul style="list-style-type: none"> <li>• Fixed and flexible budgets, budget approval, different types of costs (direct/indirect, fixed/variable), cost cutting</li> <li>• Selected article: <i>Managing in the fog (The Economist)</i>: The author questions the effectiveness of the budgeting process in companies stating that budgets often create misleading targets and reflects on the ways to overcome the problem.</li> </ul>	6	6
<b>3. Accounting and Reporting Financial Information</b> <ul style="list-style-type: none"> <li>• Main accounting concepts, IFRS, financial statements: Statement of Financial Position (assets, liabilities and equity), Income Statement, Cash Flow Statement</li> </ul>	6	7
<b>4. Auditing</b> <ul style="list-style-type: none"> <li>• Assurance services, internal auditing, audit findings</li> <li>• Selected article: <i>The Development of Internal Auditing as a Profession in the U.S. During the Twentieth Century by Susan Parker and Lynn A. Johnson (Accounting Historians Journal)</i> This paper traces the development of internal auditing from the viewpoint of its professional identity and the evolution of the</li> </ul>	6	6

internal audit function and its practitioners in response to significant economic, regulatory, and professional developments and events.		
<b>5. Debt Financing</b> <ul style="list-style-type: none"> <li>Ways to raise capital, loans and interest rates, lending money to corporations, bonds and other debt instruments</li> <li>Selected article: <i>Serbia Receives \$4 Billion Loan From the I.M.F.</i> by David Jolly (<i>The New York Times</i>)</li> </ul> <p>In the article the situation around the provision of a financial loan to Serbia as a means of the financial aid to overcome crisis is discussed.</p>	5	6
<b>Subtotal</b>	28	31
<b>Module 2</b>		
<b>6. Equity Financing</b> <ul style="list-style-type: none"> <li>Issuing shares, capital market, portfolio analysis, venture capitalists</li> </ul>	6	6
<b>7. Financial Services</b> <ul style="list-style-type: none"> <li>Banking system: regulation, types of financial institutions, services that financial institutions offer, history of the development of the US banking system</li> <li>Retail (types of services offered), investment, central banking (functions of central bank, exchange rates)</li> <li>Financial assets and liabilities, bonds, derivatives, futures, swaps</li> <li>Tax planning and tax strategy</li> </ul>	8	8
<b>8. Corporate Governance</b> <ul style="list-style-type: none"> <li>The Board of Directors, Standing Committees, the CEO role, corporate failures,</li> <li>Selected articles: <ul style="list-style-type: none"> <li>✓ <i>CEO Preferences and Acquisitions (abstract)</i> by Dirk Jenter and Katharina Lewellen (<i>Journal of Finance</i>)</li> </ul> </li> </ul> <p>This paper provides evidence that the career concerns and retirement preferences of takeover target companies' CEOs affect merger activity, leading to outcomes that are unlikely to be in target shareholders' best interest.</p>	6	8

<p>✓ <i>The Smartest Guys in the Room (abstract) by Bethany McLean and Peter Elkind (GetAbstract)</i></p> <p>The analysis of one of the most renown corporate scandals and of the reasons that led Enron to a failure what had a great impact on global governance (serious failure in the audit function and non-executive directors, high levels of debt, ‘off-balance sheet’ financing, etc.)</p> <p>✓ <i>Corporate governance: the board of directors and standing committees (Accountant in Business).</i></p> <p>This technical article covers the core aspects of corporate governance: what is corporate governance, to whom is corporate governance relevant, the role and structure of the Board of Directors, the Board Committees.</p>		
<b>9. Business development</b>	6	5
<ul style="list-style-type: none"> <li>• Business strategy, mergers, acquisitions and takeovers</li> <li>• Selected article:</li> </ul> <p><i>Mindful Mergers &amp; Acquisitions By Susan Rebner and Bauback Yeganeh (Organisations Development Review)</i></p> <p>The article analyses the steps towards successful merges and acquisitions.</p>		
<b>Final exam</b>	2	
<b>Subtotal</b>	28	27
<b>Total</b>	<b>56</b>	<b>58</b>

### 3. Assessment and Marking Scheme

Assessment is performed by means of a combination of coursework and final exam.

The marking scheme is based on the following components:

#### 1. Cumulative mark (0-10): 70%

Consists of:

- Continuous assessment - 70%.

This part includes participation in class work (including group and pair discussions, performing lexical and grammar exercises, listening comprehension (video and audio) tasks, presentations). Students are expected to participate actively in class work to get a satisfactory grade.

- individual and group homework assignments, tests on key vocabulary – 30%
2. Final exam (0-10): 30%

The marks criteria are as follows:

From	To	Mark
0	3	Fail
4	5	Satisfactory
6	7	Good
8	10	Excellent

The final exam will consist of the written test (including reading test) covering core topics of the course.

Both cumulative and final exam marks are rounded to an integer number (0-10) according to general mathematical rules. Rounding of cumulative mark is applied only in the end of the course. Components of the cumulative mark are not rounded. None of the components of the mark is blocking.

## 4. Study Resources

### 4.1. Required reading

1. Ed Pegg (2017): In Company 3.0: Corporate Finance, MacMillan Education
2. Ian MacKenzie (2008): English for the Financial Sector, Cambridge University Press
3. Ian MacKenzie (2008): Professional English in Use: Finance, Cambridge University Press

### 4.2. Selected articles

Students are recommended to read the following academic and financial press articles:

1. Parker, S., and Johnos L.A. The Development of Internal Auditing as a Profession in the U.S. During the Twentieth Century. Accounting Historians Journal, Vol. 44, №3 (2017), 47-67.
2. McLean, B., and Elkind, P. The Smartest Guys in the Room. GetAbstract, 2004.
3. Buttonwood. Why forecasts are necessary. The Economist, 2016. Retrieved from: <https://www.economist.com/buttonwoods-notebook/2016/06/18/why-forecasts-are-necessary>
4. Managing in the fog. The Economist, 2009. Retrieved from: <https://www.economist.com/business/2009/02/26/managing-in-the-fog>
5. Jolly, D. Serbia Receives \$4 Billion Loan From the I.M.F. by David Jolly. The New York Times, 2009. Retrieved from: <https://www.nytimes.com/2009/03/27/business/worldbusiness/27imf.html?mtrref=www.google.com&gwh=741D3EB3C14C662A03D6DDB6C8EB99DF&gwt=pay&assetType=REGI WALL>

6. Corporate governance: the board of directors and standing committees. Accountant in Business. Retrieved from:

<https://www.accaglobal.com/gb/en/student/exam-support-resources/fundamentals-exams-study-resources/f1/technical-articles/corpgovernance.html>

7. Jenter, D., and Lewellen K. CEO Preferences and Acquisitions. *Journal of Finance*, № 70(6) (2015), 2813-2852.
8. Rebner S., and Bauback Y. Mindful Mergers & Acquisitions. *Organisations Development Review*, Vol. 51 (2019), No.1.

All articles are provided by the lecturer in the printed format. Academic articles are provided as abstracts.

The articles studied as abstracts are recommended to be read in full as optional reading.

#### 4.3. Software

Lecture rooms are equipped with a computer with internet access, a projector and loud speakers.

Nº	Title	Access Conditions
1.	Microsoft Windows 7 Professional RUS Microsoft Windows 10 Microsoft Windows 8.1 Professional RUS	<i>From the internal University network (contract)</i>