

333-613 Foundations of Finance

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Time Commitment:	Contact Hours: Seminars or lectures and tutorials totalling 3 hours per week (Semester 1). Total Time Commitment: Not available
Prerequisites:	None
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	None
Core Participation Requirements:	<p><p>For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.</p> <p>It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: http://services.unimelb.edu.au/disability</p></p>
Subject Overview:	This subject involves a study of the theoretical underpinnings of modern finance. Topics covered include choice under uncertainty, portfolio theory, asset pricing models, option pricing models, investment evaluation, corporate financial policy, agency theory.
Objectives:	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> # Generate portfolios that are mean-variance efficient; # Recognise arbitrage opportunities in bond markets; # Apply no-arbitrage conditions to price options; # Discuss the factors that are important in a firm's choice of capital structure; # Analyse the factors that are important in a firm's choice of dividend policy; # Explain how a firm can engage in risk management.
Assessment:	A 1.5-hour mid semester examination (30%), a 3-hour end-of-semester examination (50%) and assignments totalling not more than 2000 words (20%).
Prescribed Texts:	None
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> # Oral communication # Written communication # Problem solving # Statistical reasoning # Application of theory to practice # Interpretation and analysis # Critical thinking # Synthesis of data and other information # Evaluation of data and other information

Related Course(s):

Master of Commerce - Finance