

FNCE90019 Principles of Finance

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| Credit Points: | 12.50 |
| Level: | 9 (Graduate/Postgraduate) |
| Dates & Locations: | 2010, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus. |
| Time Commitment: | Contact Hours: One three-hour lecture per week Total Time Commitment: Estimated total time commitment of 120 hours per semester |
| Prerequisites: | This subject is only available to those students that would satisfy the entry criteria for the Master of Applied Finance. |
| Corequisites: | None |
| Recommended Background Knowledge: | None |
| Non Allowed Subjects: | None |
| Core Participation Requirements: | For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/ |
| Coordinator: | Dr Chander Shekhar, Dr Zhen Shi, Mr Bryan Lim |
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| Subject Overview: | This subject covers portfolio analysis and financial management. Topics include: return and risk, portfolio theory, asset pricing models, market efficiency, capital budgeting, cost of capital, dividend policy and capital structure. |
| Objectives: | On successful completion of this subject students should be able to: # Explain the nature of debt and equity capital; # Critically evaluate the impact of financing decisions and capital structure on the value of the firm; # Analyse capital budgeting proposals; # Critically evaluate alternative methods of appraising projects; # Critically evaluate the impact of alternative dividend policies on the value of the firm; # Explain the impact of taxation and other market imperfections on the value of the firm; # Discuss core concepts in finance, including risk, return, risk premium and risk aversion; # Examine the portfolio selection problem, with emphasis on the mean variance framework; # Develop techniques to evaluate the performance of money managers; # Critically evaluate theories of asset pricing and their applications in the pricing of securities. |
| Assessment: | 3-hour end-of-semester examination (70%) Assignments totalling not more than 3000 words (30%) |
| Prescribed Texts: | You will be advised of prescribed texts by your lecturer. |

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| 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# Collaborative learning# Problem solving# Team work# Statistical reasoning# Application of theory to practice# Interpretation and analysis# Critical thinking# Synthesis of data and other information# Evaluation of data and other information# Using computer software# Accessing data and other information from a range of sources |
| Related Course(s): | Master of Applied Finance |