

FNCE90002 Foundations of Finance

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2011, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Seminars or lectures and tutorials totalling 3 hours per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
Prerequisites:	Entry into the Master of Commerce (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 Qi Zeng
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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:	On successful completion of this subject students should be able to: <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 firms choice of capital structure; # Analyse the factors that are important in a firms choice of dividend policy; # Explain how a firm can engage in risk management.
Assessment:	1.5-hour mid semester examination (30%) 3-hour end-of-semester examination (50%) Assignments totalling not more than 2000 words (20%)
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
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