

## 333-661 Principles of Finance

<b>Credit Points:</b>	12.500
<b>Level:</b>	Graduate/Postgraduate
<b>Dates &amp; Locations:</b>	2008, This subject commences in the following study period/s: Semester 1, - Taught on campus. Semester 2, - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: 36 hours per semester (Semester 1, Semester 2). Total Time Commitment: Not available
<b>Prerequisites:</b>	This subject is only available to those students that would satisfy the entry criteria for the Master of Applied Finance.
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<b>Core Participation Requirements:</b>	<p>&lt;p&gt;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.&lt;/p&gt;         &lt;p&gt;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: &lt;a href="http://services.unimelb.edu.au/disability"&gt;http://services.unimelb.edu.au/disability&lt;/a&gt;&lt;/p&gt;</p>
<b>Subject Overview:</b>	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.
<b>Assessment:</b>	A 3-hour end-of-semester examination (70%) and assignments totalling not more than 3000 words (30%).
<b>Prescribed Texts:</b>	None
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> <li># Explain the nature of debt and equity capital.</li> <li># Critically evaluate the impact of financing decisions and capital structure on the value of the firm.</li> <li># Analyse capital budgeting proposals.</li> <li># Critically evaluate alternative methods of appraising projects.</li> <li># Critically evaluate the impact of alternative dividend policies on the value of the firm.</li> <li># Explain the impact of taxation and other market imperfections on the value of the firm.</li> <li># Discuss core concepts in finance, including risk, return, risk premium and risk aversion.</li> <li># Examine the portfolio selection problem, with emphasis on the mean variance framework.</li> <li># Develop techniques to evaluate the performance of money managers.</li> <li># Critically evaluate theories of asset pricing and their applications in the pricing of securities.</li> </ul> <p>On successful completion of this subject, students should have improved the following generic skills:</p>

	<ul style="list-style-type: none"><li># Oral communication</li><li># Written communication</li><li># Collaborative learning</li><li># Problem solving</li><li># Team work</li><li># Statistical reasoning</li><li># Application of theory to practice</li><li># Interpretation and analysis</li><li># Critical thinking</li><li># Synthesis of data and other information</li><li># Evaluation of data and other information</li><li># Using computer software</li><li># Accessing data and other information from a range of sources</li></ul>
<b>Related Course(s):</b>	Master of Applied Finance