

333-714 Finance Theory - Corporate Finance

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2009, This subject commences in the following study period/s: Semester 2, - Taught on campus.
Time Commitment:	Contact Hours: One three-hour lecture per week (Semester 2). Total Time Commitment: Not available
Prerequisites:	Admission to the PhD program in Finance.
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>
Coordinator:	Assoc Prof Kim Sawyer
Subject Overview:	This subject will cover both theory and evidence. Topics covered will include raising capital, capital structure choice, dividend policy, mergers and acquisitions, contracting and incentives, game theory and signalling models, default and renegotiation and security design.
Objectives:	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> # Generate links between taxes and a firms choice of financing; # Explain what factors affect a firms choice of dividend policy; # Identify stakeholder conflicts, their effects and implications for corporate financial policy; # Analyse the relation between capital structure and corporate strategy; # Apply signalling theory to determine the information conveyed by financial decisions; # Discuss the empirical evidence on corporate financial policy.
Assessment:	Assignments totalling not more than 2000 words (20%), a 2 hour mid semester examination (40%) and a 2 hour end-of-semester examination (40%).
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 # Collaborative learning

- # Problem solving
- # Team work
- # Statistical reasoning
- # Application of theory to practice
- # Interpretation & 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