FNCE20001 Business Finance

Credit Points:	12.50
Level:	2 (Undergraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: January, Parkville - Taught on campus. Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Semester 1 and 2: Two 1-hour lectures and a 1-hour tutorial per week; Summer Semester: Twenty-four hours of lectures and twelve hours of tutorials Total Time Commitment: Not available
Prerequisites:	Either: (1) **333-101 Finance 1 (/view/2010/333-101)** or (2) An approved quantitative subject **and** an approved accounting subject. Approved quantitative subjects are: **316-130 Quantitative Methods 1 (/view/2010/316-130)** , **620-157 Mathematics 1 (/view/2010/620-157)** ; **620-158 Mathematics 2 (/view/2010/620-158)** ; **620-154 Calculus 1 (/view/2010/620-154)** ; **620-155 Calculus 2 (/view/2010/620-155)** ; **620-156 Linear Algebra (/view/2010/620-156)** ; 620-121 Mathematics A (Advanced), 620-131 Scientific Programming and Simulation, 620-141 Mathematics A and 620-160 Experimental Design and Data Analysis. Approved accounting subjects are: 306-102 Accounting Concepts, 306-104 Accounting 1B and **306-108 Accounting Transactions and Analysis (/view/2010/306-108)** .
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
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:	Assoc Prof Howard Chan, Dr Asjeet Lamba
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Subject Overview:	Topics include basic institutional knowledge of the Australian finance sector and an introduction to the theory of pricing of risky assets, focusing on the Capital Asset Pricing Model; fundamentals of capital budgeting, including methods of allowing for inflation, and the treatment of risk; instruments of corporate funding; the theory and practice of capital structure and dividend policy decisions; and an introduction to complex financial instruments such as options and futures.
Objectives:	# Solve basic problems in financial mathematics. # Discuss the basic theories underlying the pricing of risky assets; # Comprehend the concepts of portfolio formation; # Explain the fundamentals of capital budgeting, including the use of alternative criteria, allowing for inflation and the treatment of risk; # Analyse the issues facing managers in decisions of capital structure and dividend policy;

	# Use the features of financial derivatives to achieve particular financial outcomes.
Assessment:	Semesters 1 and 2: A 2-hour end-of semester examination (60%), a 1-hour mid-semester test (25%) and periodic tutorial assignments totalling not more than 1500 words (15%) Summer Semester: A 3-hour end-of semester examination (80%), and a 1-hour mid-semester test or two tutorial assignments totalling not more than 2000 words (20%)
Prescribed Texts:	Business Finance (G Peirson, R Brown, S Easton, P Howard and S Pinder), McGraw-Hill, (10th edn), 2009
Breadth Options:	This subject potentially can be taken as a breadth subject component for the following courses: # **Bachelor of Arts (https://handbook.unimelb.edu.au/view/2010/B-ARTS)** # **Bachelor of Biomedicine (https://handbook.unimelb.edu.au/view/2010/B-BMED)** # **Bachelor of Environments (https://handbook.unimelb.edu.au/view/2010/B-ENVS)** # **Bachelor of Music (https://handbook.unimelb.edu.au/view/2010/B-MUS)** # **Bachelor of Science (https://handbook.unimelb.edu.au/view/2010/B-SCI)** # **Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2010/355AA)** You should visit **learn more about breadth subjects (http://breadth.unimelb.edu.au/breadth/info/index.html)** and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	# High level of development: problem solving; interpretation and analysis; critical thinking. # Moderate level of development: oral communication; written communication; collaborative learning; statistical reasoning; application of theory to practice; synthesis of data and other information; evaluation of data and other information; accessing data and other information from a range of sources. # Some level of development: team work; use of computer software.