

FNCE30002 Corporate Finance

Credit Points:	12.50
Level:	3 (Undergraduate)
Dates & Locations:	2011, 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: Three hours per week. Total Time Commitment: Not available
Prerequisites:	FNCE20001 Business Finance (../view/2010/333-201) and one of ECOM20001 Introductory Econometrics (../view/2010/316-205) , ECON20003 Quantitative Methods 2 (../view/current/ECON20003) , MAST20005 Statistics (../view/current/MAST20005) , 620-270 Applied Statistics, MAST20004 Probability (../view/current/MAST20004) , MAST20006 Probability for Statistics (../view/current/MAST20006) , 620-261 Introduction to Operations Research (2008 or earlier), MAST20018 Discrete Maths and Operations Research (../view/current/MAST20018) or MAST20029 Engineering Mathematics (../view/current/MAST20029) .
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
Non Allowed Subjects:	Students may not gain credit for both FNCE30002 Corporate Finance (../view/2010/333-302) and 306-309 Corporate Finance.
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 Gregory Schwann, Assoc Prof Howard Chan, Dr Stefan Petry
Contact:	Semester 1 Email: chanhw@unimelb.edu.au (mailto:chanhw@unimelb.edu.au) Semester 2 Email: gschwann@unimelb.edu.au (mailto:gschwann@unimelb.edu.au)
Subject Overview:	This subject extends the analysis of capital budgeting, capital structure, dividend policy and corporate risk management to the treatment in business finance. Topics include the effect of the dividend imputation system of taxation on dividend policy, capital structure and capital budgeting; a comprehensive analysis of corporate acquisitions and restructuring; a detailed examination of alternative funding mechanisms including leases and hybrid securities; and a discussion of current issues of interest in Australian corporate finance.
Objectives:	<ul style="list-style-type: none"> # Recognise the issues pertinent to a firm in making decisions about dividend policy # Describe the role of derivative securities in the management of corporate risk; # Explain the funding alternatives available to firms; # Discuss the impact of taxes, bankruptcy costs, agency costs and information asymmetries upon the funding decision; # Apply complex techniques to capital budgeting decisions in order to account for projects with different lives; # Evaluate the economic consequences of takeover activity; # Synthesise the empirical findings with respect to the wealth impact of takeover activity in Australia;

	# Consider leasing as a funding alternative
Assessment:	A 3-hour end-of-semester examination (70%). A 1-hour mid-semester test (20%). Tutorial related assessment (10%).
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
Breadth Options:	<p>This subject potentially can be taken as a breadth subject component for the following courses:</p> <ul style="list-style-type: none"> # Bachelor of Arts (https://handbook.unimelb.edu.au/view/2011/B-ARTS) # Bachelor of Biomedicine (https://handbook.unimelb.edu.au/view/2011/B-BMED) # Bachelor of Environments (https://handbook.unimelb.edu.au/view/2011/B-ENVS) # Bachelor of Music (https://handbook.unimelb.edu.au/view/2011/B-MUS) # Bachelor of Science (https://handbook.unimelb.edu.au/view/2011/B-SCI) # Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2011/B-ENG) <p>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.</p>
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<ul style="list-style-type: none"> # High level of development: oral communication; written communication; problem solving; interpretation and analysis; evaluation of data and other information. # Moderate level of development: collaborative learning; statistical reasoning; application of theory to practice; synthesis of data and other information; accessing data and other information from a range of sources. # Some level of development: critical thinking; use of computer software.
Notes:	Students may not gain credit for both FNCE30002 Corporate Finance (../view/2010/333-302) and 306-309 Corporate Finance.
Related Breadth Track(s):	Economics & Finance