

FNCE90042 Finance Theory - Corporate Finance

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2011, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: One three-hour lecture per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
Prerequisites:	Admission to the PhD program in 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/
Contact:	Department of Finance Level 2, Economics and Commerce Building The University of Melbourne Phone: (+61 3) 8344 6912 Fax: (+61 3) 8344 6914
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:	On successful completion of this subject students should be able to: <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%) 2 hour mid semester examination (40%) 2 hour end-of-semester examination (40%)
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:	On successful completion of this subject, students should have improved the following generic skills: <ul style="list-style-type: none"> # Oral communication # Written communication

	<ul style="list-style-type: none"># 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
Related Course(s):	Doctor of Philosophy - Business and Economics