

## BUSA90065 Determinants of Value

<b>Credit Points:</b>	50
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	2014, Parkville This subject commences in the following study period/s: June, Parkville - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: 120 hours Total Time Commitment: Not available
<b>Prerequisites:</b>	None
<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>Contact:</b>	<a href="mailto:emba@mbs.edu">emba@mbs.edu</a> (mailto:emba@mbs.edu)
<b>Subject Overview:</b>	<p><b>Data &amp; Decisions II:</b></p> <p>This component builds on the fundamental data analysis skills and techniques used in contemporary business and management covered in Data &amp; Decisions I. The key skills developed in the course are Excel familiarity, data manipulation and the ability to produce and quickly interpret statistical output.</p> <p><b>Ethical Leadership:</b></p> <p>The aim of this course will be to develop your skills in the application of moral reasoning in the analyses and solution of ethical problems confronted by leaders. The course is structured so that you move through a progressive mastery of each of 4 Stages of Learning: Knowledge, Static Problem Solving, Dynamic Social Problem Solving and Leadership.</p> <p>Given the limited time, we will focus on two forms of moral reasoning – Kantianism and Utilitarianism. These are the two most commonly used forms of moral reasoning in work organizations. Other forms will be mentioned but not covered in detail.</p> <p><b>Financial Accounting II:</b></p> <p>The goal of Financial Accounting and Analysis across Modules 1 and 2 is to help you advance from someone who probably has very limited knowledge of financial accounting to someone who is accounting literate. At the conclusion Module 2, you should be able to read, interpret, and, to some extent, analyze real-world financial statements, as well as be able to hold a meaningful conversation about accounting with someone knowledgeable about accounting</p> <p><b>Financial Management II:</b></p> <p>This component builds on the Finance I component in the subject, Executive Management 1, and is designed to provide students with advanced knowledge of financial management. This knowledge provides the basis for funding a firm's investments and using its resources efficiently. The topics covered include:</p> <ul style="list-style-type: none"> <li># Risk management</li> <li># Real options</li> <li># Capital investments in foreign markets</li> </ul>

- # Determinants of capital structure
- # Corporate payout policy

**Global Business Economics:**

Economics of Globalisation considers the external factors that impinge on business organisations, including matters of taxation, regulation, exchange rates and government action. This component addresses four critical areas in global business economics;

- # Economic growth
- # The role of government
- # Monetary Policy
- # International Economics

**Market Access Strategy:**

In this subject we will study how firms identify and access markets to create value. Consistent with current trends, the material in this subject is primarily embedded in the context of 1) service industries, 2) emerging markets, and 3) emerging technologies.

Successful market access strategies involve the management of “inter-firm” relationships such as outsourcing arrangements, strategic alliances, and hybrid arrangements such as franchising. Inter-firm relationships between buyers and sellers create value by providing companies with access to customers and markets. Typically, companies use at least one route to access potential buyers, convert them into customers, fulfill their orders, and deal with post-purchase service issues.

**Managerial Judgement:**

The brain is a truly amazing biological machine, moulded through millions of years of evolutionary pressure. More recent changes in human history have created a gap between the world for which our brains were designed, and the world in which we actually live. This mismatch is played out in many aspects of management and leadership. We suffer from strong biases that hinder good decision-making, and we often fail to develop realistic perceptions of others and of ourselves. Fortunately, scientists have generated a great deal of knowledge that allows us to identify these deficiencies and to find remedies for them. These sessions are based on long-standing psychological research as well as state-of-the-art neurobiological research that sheds light on the obstacles we face when making decisions. By discovering the roots of many of our biases we can also learn remedies to these problems so that we can avoid pitfalls in decision-making.

**Organisational Behaviour:**

This course extends participants' existing background and awareness of the problems involved in managing people by providing structured exercises, cases, and discussion of leading in organizations. The course is based on the assumption that as working professionals, participants already have some fundamental awareness of issues related to managing people. The course will build on that background to extend participants' theoretical knowledge and applied skills

**Learning Outcomes:**

**Data & Decisions II:**

- # Understand the objectives of a decision, the context, decision maker and time horizon.
- # To illustrate why probability is hard to estimate and show the importance of correct estimation for good decision making.
- # To review some tools for ensuring that probabilities are consistent and properly calculated.
- # To be able to draw a decision tree and use a number of different decision rules including an expected value rule.
- # To understand how to conduct sensitivity analysis on a decision tree
- # To practice structuring and analyzing a decision tree using the New Space Technologies case study
- # To be able to compute the value of perfect information and understand how this gives bounds on the value of sample information
- # To understand what a conditional probability is and why confusion can arise over conditional probabilities.
- # To be able to compute conditional probabilities.
- # To practice structuring and analyzing a decision tree using the Kowloon development case study

**Ethical Leadership:**

To develop your moral reasoning skills to the point that you are able apply Kantian and Utilitarian moral reasoning in the discussion, analysis and solution of ethical problems in your leadership role at work and in your personal life.

**Financial Accounting II:**

The goal of Financial Accounting and Analysis across Modules 1 and 2 is to help you advance from someone who probably has very limited knowledge of financial accounting to someone who is accounting literate. By the end of Module 2, you should be able to:

- # Understand the purpose of the balance sheet, income statement, comprehensive income statement, shareholder equity statement, and cash flow statement, as well as how these statements fit together.
- # Locate desired information reported in a company's financial statements and notes.
- # Accurately interpret selected information reported in a company's financial statements and notes.
- # Appreciate the recognition and measurement difficulties inherent in financial reporting.
- # Begin to understand the link between business decisions, financial statements, and value creation.
- # Calculate and accurately interpret both return on equity (ROE) and the drivers of ROE.
- # Begin to use DuPont analysis to benchmark financial performance.
- # Forecast (using a basic process) next period's income statement and balance sheet.
- # Hold a meaningful conversation with knowledgeable about accounting.

**Financial Management II:**

On completion of this component students should:

- # Be able to identify the risks arising from a firm's operating, investing, and financing activities and
- # understand the techniques for managing those risks
- # Understand how to incorporate sovereign risk into capital budgeting decisions
- # Understand the role of real options in capital budgeting decisions
- # Understand factors that affect a firm's capital structure
- # Be able to calculate cost of capital for complex situations

**Global Business Economics:**

On completion of this component students should:

- # Understand global forces and international implications of economic activity
- # Have a sound working knowledge of international and national policy formation
- # Appreciate the implications for the economy of international and national tax policies
- # Be able to identify the links between macroeconomic variables
- # Understand the structure of the balance of payments account
- # Understand the key determinants of the exchange rate
- # Understand the economic arguments concerning the environment

**Market Access Strategy:**

This course is designed to provide systematic and integrative managerial approaches for developing and implementing successful market access strategies that create value. It brings together the sharpest concepts and methods for the practicing manager. By using a variety of case studies and in-depth company analyses, the course focuses on the optimal application of tools and techniques across a variety of service and non-service industries such as outsourcing services, financial services, retailing, and electronic commerce.

**Managerial Judgement:**

To better understand:

- # Cognitive biases and their remedies
- # The neurological source of gut feeling and how to use gut feeling in decision-making
- # The role that cognitive dissonance and self-justification play in distorting our perceptions and producing sub-optimal performance

	<p>To use this knowledge to make better managerial decisions, be a more effective leader, avoid mistakes where possible and learn from mistakes that are made.</p> <p><b>Organisational Behaviour:</b></p> <p>After successfully completing this course, you will be able to:</p> <ul style="list-style-type: none"> <li># Diagnose people related problems and issues in organizations</li> <li># Determine appropriate behaviors and practices you should apply to address varying individual-level, group-level and organizational-level challenges and opportunities</li> </ul>
<b>Assessment:</b>	<p>Data &amp; Decisions II: Individual assignment (10%) 1,000 words Start of module Syndicate case submission (30%) 1,000 words Mid-way through module Test (60%) 1,500 words End of module Ethical Leadership: Quiz (100%) 2,000 words end of module Financial Accounting II: Adding value to class (10%) Throughout module Syndicate case write-ups (30%) Equivalent to individual 800 word assessment Throughout module Exam (60%) 1,500 words End of module Financial Management II: Class participation (10%) Attendance at lectures, peer and instructor evaluation of contribution to class learning Throughout module 3 Individual problem sets (40%) 600 words each Throughout module Final Exam (50%) Hurdle requirement 90 minutes End of module Global Business Economics: Syndicate presentation (25%) 1,000 words End of module Final exam (75%) 2,000 words End of module Market Access Strategy Class participation (25%) Throughout module Syndicate case preparation or 1 page-write up (20%) Equivalent to 900 word assessment Mid-way in module Final Exam (55%) Hurdle requirement 90 minutes End of module Managerial Judgement: Final exam (100%) 90 minutes End of module Organisational Behaviour: Final exam (100%) 2,000 words End of module</p>
<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>