

## FNCE90042 Finance Theory - Corporate Finance

<b>Credit Points:</b>	12.50
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	This subject is not offered in 2014.
<b>Time Commitment:</b>	Contact Hours: One three-hour lecture per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
<b>Prerequisites:</b>	Admission to the PhD program in Finance
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<b>Core Participation Requirements:</b>	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: <a href="http://www.services.unimelb.edu.au/disability/">http://www.services.unimelb.edu.au/disability/</a>
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<b>Subject Overview:</b>	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.
<b>Learning Outcomes:</b>	On successful completion of this subject, students should be able to: <ul style="list-style-type: none"> <li># Analyse firms' investment decisions under idealized settings and explain the importance of these decisions for shareholders and the economy</li> <li># Analyse the legal and institutional determinants of investment and financing decisions</li> <li># Analyse effects of moral hazard and adverse selection on firms' investment and financing decisions</li> <li># Analyse the effects of contracts on problems of moral hazard and adverse selection</li> <li># Analyse dynamic models of investment and financing decisions and compare these with traditional static models</li> </ul>
<b>Assessment:</b>	2000 word assignment or equivalent (20%) 2 hour mid semester examination (40%) 2 hour end-of-semester examination (40%)
<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<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>
<b>Generic Skills:</b>	On successful completion of this subject, students should have improved the following generic skills: <ul style="list-style-type: none"> <li># Oral communication</li> </ul>

	<ul style="list-style-type: none"><li># Written communication</li><li># Collaborative learning</li><li># Problem solving</li><li># Team work</li><li># Statistical reasoning</li><li># Application of theory to practice</li><li># Interpretation &amp; analysis</li><li># Critical thinking</li><li># Synthesis of data and other information</li><li># Evaluation of data and other information</li><li># Using computer software</li><li># Accessing data and other information from a range of sources</li></ul>
<b>Related Course(s):</b>	Doctor of Philosophy - Business and Economics