

FNCE90062 Capstone Studies in Finance

Credit Points:	12.5						
Level:	9 (Graduate/Postgraduate)						
Dates & Locations:	2015, 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: One 3-hour lecture per week Total Time Commitment: Approximately 2.5 hours of personal study per hour of class time is required to achieve a satisfactory level of performance.						
Prerequisites:	Enrolment in Master of Management (Finance) and all Master of Management (Finance) foundation subjects and compulsory subjects plus at least one elective subject in the Master of Management (Finance). <table border="1" data-bbox="389 689 1485 837"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>FNCE90011 Derivative Securities</td> <td>Semester 1, Semester 2</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	FNCE90011 Derivative Securities	Semester 1, Semester 2	12.50
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FNCE90011 Derivative Securities	Semester 1, Semester 2	12.50					
Corequisites:	Students must have completed or be concurrently enrolled in FNCE90011 Derivative Securities. <table border="1" data-bbox="389 920 1485 1068"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>FNCE90011 Derivative Securities</td> <td>Semester 1, Semester 2</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	FNCE90011 Derivative Securities	Semester 1, Semester 2	12.50
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Recommended Background Knowledge:	None						
Non Allowed Subjects:	None						
Core Participation Requirements:	<p><p>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.</p> <p>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: http://services.unimelb.edu.au/disability</p> </p>						
Coordinator:	Assoc Prof Gregory Schwann, Mr David Robinson						
Contact:	MBS @ Berkeley Street Level 4, 198 Berkeley Street Telephone: +61 3 8344 1670 Email: mbs-enquiries@unimelb.edu.au (mailto:mbs-enquiries@unimelb.edu.au) Web: http://mbs.unimelb.edu.au/ (http://mbs.unimelb.edu.au/)						
Subject Overview:	<p>This subject gives each student in the Master of Management (Finance) the opportunity to use the skills acquired in their coursework to analyze the financial outlook of an Australian listed company. Students will be assigned to teams for this work. Each team will be given a micro-cap company listed on the Australian Stock Exchange to analyze. The objective of the team analyses is an 'analyst report' on the company. To complete the report, each team must look at the company through three lenses. They must assess the company from:</p> <ol style="list-style-type: none"> 1. a value investor's perspective, 2. a commercial banking perspective, and 						

	<p>3. a mergers and acquisition perspective.</p> <p>Each perspective will form a section in the report. In the value investor section, the core challenge for the team is to develop a well-founded valuation of the company. In the commercial banking section, the team must determine the maximum amount of a commercial bank might be willing to lend the company based on the valuation and prudent banking criteria. In the mergers and acquisition section, each team must assess whether shareholder value might be enhanced by engaging in M&A activity. This could be merging with or acquiring another firm or selling, carving-out or spinning-off part of the existing firm. This is the most freewheeling section in the report because it asks each group to place their assigned company within the general business environment of Australia.</p>
Learning Outcomes:	<p>On successful completion of this subject, students should be able to:</p> <ul style="list-style-type: none"> # Evaluate finance problems from a holistic view; # Analyse the desirability of a project from the point of view of investors in the firm considering the project; # Determine how the optimality of investing in the project is affected by the method of financing the investment, the method of distributing its future payoffs, hedging decisions with respect to those payoffs, and the executive compensation scheme used to incentivize the project's managers; # Describe how a financial intermediary might optimally market the project to investors and firm managers; and # Explain the implications for stock exchanges and capital markets of decisions to fund projects either privately or publically and either with domestic or overseas-sourced capital.
Assessment:	<p>Two short in class tests not exceeding 30 minutes (2×15%=30%) and a group presentation not exceeding 20 minutes with each student contributing approximately 3-4 minutes of material (5%) [35%] A group presentation not exceeding 20 minutes in duration scheduled during the final meeting (25%) and group written report not exceeding 5,000 words due at the end of semester. (40%) [The total grade for the combined assessment is 65%] Marks are assigned to individuals on the basis of their contribution. Each group member will submit a 250 word review of teamwork and cooperation in their group (hurdle requirement)</p>
Prescribed Texts:	None
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:	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> # The ability to recognize the implications for different parties (owners, managers and finance intermediaries) of any one financial decision; # Critical and evaluative thinking in relation to conflicts between different classes of owners of a firm, between the owners and managers of the firm, and between the suppliers of financial capital and the suppliers of human capital to the firm; # Negotiation skills through an understanding of the potentially very different importance placed by investors, managers and financial intermediaries on the various parts of a single financial problem (such as the maturity, interest rate and security of a new bond issue); # Synthesis of data and other information through discussion of alternatives in financial decision making; # Decision-making skills through making a single recommendation of the best choice in applied settings when the various parties affected by that decision do not share a set of common preferences; and # Ethical thinking and work practice skills in financial decision making through the analysis of case studies and applied settings involving conflicts of interest between investors, managers and financial intermediaries.
Related Course(s):	<p>Master of Management (Accounting and Finance) Master of Management (Finance) Master of Management (Finance)</p>