

FNCE20001 Business Finance

Credit Points:	12.5
Level:	2 (Undergraduate)
Dates & Locations:	2016, Parkville This subject commences in the following study period/s: January, Parkville - Taught on campus. Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Semester 1 and 2: Two 1-hour lectures and a 1-hour tutorial per week; Summer Semester: Twenty-four hours of lectures and twelve hours of tutorials Total Time Commitment: Not available
Prerequisites:	Either: (1) <u>FNCE10001 Finance 1</u> (../view/current/FNCE10001) or (2) An approved quantitative subject and an approved accounting subject. Approved quantitative subjects are: <u>ECON10005 Quantitative Methods 1</u> (../view/current/ECON10005) ; <u>MAST10008 Accelerated Mathematics 1</u> (../view/current/MAST10008) ; <u>MAST10009 Accelerated Mathematics 2</u> (../view/current/MAST10009) ; <u>MAST10005 Calculus 1</u> (../view/2013/MAST10005) ; <u>MAST10006 Calculus 2</u> (../view/2013/MAST10006) ; <u>MAST10007 Linear Algebra</u> (../view/2013/MAST10007) ; <u>MAST10011 Experimental Design and Data Analysis</u> (../view/2013/MAST10011) ; <u>MAST10010 Data Analysis 1</u> (../view/2013/MAST10010) . Approved accounting subjects are: <u>ACCT10002 Accounting Transactions and Analysis</u> or <u>ACCT10002 Introductory Financial Accounting</u> (../view/2013/ACCT10002)
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
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:	Dr Joshua Shemesh, Dr Vincent Gregoire, Prof Rob Brown
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Subject Overview:	Topics include basic institutional knowledge of the Australian finance sector and an introduction to the theory of pricing of risky assets, focusing on the Capital Asset Pricing Model; fundamentals of capital budgeting, including methods of allowing for inflation, and the treatment of risk; instruments of corporate funding; the theory and practice of capital structure

	and dividend policy decisions; and an introduction to complex financial instruments such as options and futures.
Learning Outcomes:	<ul style="list-style-type: none"> # Solve basic problems in financial mathematics. # Discuss the basic theories underlying the pricing of risky assets; # Comprehend the concepts of portfolio formation; # Explain the fundamentals of capital budgeting, including the use of alternative criteria, allowing for inflation and the treatment of risk; # Analyse the issues facing managers in decisions of capital structure and dividend policy; # Use the features of financial derivatives to achieve particular financial outcomes.
Assessment:	Semesters 1 and 2: A 2-hour end-of semester examination (60%), a 1-hour mid-semester test (25%) and periodic tutorial assignments totalling not more than 1500 words (15%) Summer Semester: A 3-hour end-of semester examination (80%), and a 1-hour mid-semester test or two tutorial assignments totalling not more than 2000 words (20%)
Prescribed Texts:	Business Finance (G Peirson, R Brown, S Easton, P Howard and S Pinder), McGraw-Hill, (12th edn), 2014
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/2016/B-ARTS) # Bachelor of Biomedicine (https://handbook.unimelb.edu.au/view/2016/B-BMED) # Bachelor of Environments (https://handbook.unimelb.edu.au/view/2016/B-ENVS) # Bachelor of Music (https://handbook.unimelb.edu.au/view/2016/B-MUS) # Bachelor of Science (https://handbook.unimelb.edu.au/view/2016/B-SCI) # Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2016/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: problem solving; interpretation and analysis; critical thinking. # Moderate level of development: oral communication; written communication; collaborative learning; statistical reasoning; application of theory to practice; synthesis of data and other information; evaluation of data and other information; accessing data and other information from a range of sources. # Some level of development: team work; use of computer software.
Related Breadth Track(s):	Your Money or Your Life Real Estate and the Australian Dream Fundamentals of Finance and Accounting Ethics &&&&& Investing Economics & Finance