

## FNCE90019 Principles of Finance

<b>Credit Points:</b>	12.5
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	This subject is not offered in 2016.
<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>	This subject is only available to those students who would satisfy the entry criteria for the Master of Applied Finance or the Postgraduate Certificate in Applied 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>
<b>Contact:</b>	TBC
<b>Subject Overview:</b>	This subject covers portfolio analysis and financial management. Topics include: return and risk, portfolio theory, asset pricing models, market efficiency, capital budgeting, cost of capital, dividend policy and capital structure.
<b>Learning Outcomes:</b>	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> <li># Explain the nature of debt and equity capital;</li> <li># Critically evaluate the impact of financing decisions and capital structure on the value of the firm;</li> <li># Analyse capital budgeting proposals;</li> <li># Critically evaluate alternative methods of appraising projects;</li> <li># Critically evaluate the impact of alternative dividend policies on the value of the firm;</li> <li># Explain the impact of taxation and other market imperfections on the value of the firm;</li> <li># Discuss core concepts in finance, including risk, return, risk premium and risk aversion;</li> <li># Examine the portfolio selection problem, with emphasis on the mean variance framework;</li> <li># Develop techniques to evaluate the performance of money managers;</li> <li># Critically evaluate theories of asset pricing and their applications in the pricing of securities.</li> </ul>
<b>Assessment:</b>	3-hour end-of-semester examination (60%) Assignments totalling not more than 2000 words (20%) Mid-semester examination (20%)
<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>