

## FNCE90060 Financial Management

<b>Credit Points:</b>	12.5
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	2016, Parkville This subject commences in the following study period/s: Semester 1, Parkville - Taught on campus. Semester 2, Parkville - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: One 3-hour lecture per week 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>Coordinator:</b>	Assoc Prof Asjeet S. Lamba, Dr Bryan Lim
<b>Contact:</b>	<p><b>Semester 1</b> Dr Bryan Lim Email: <a href="mailto:blim@unimelb.edu.au">blim@unimelb.edu.au</a> (mailto:blim@unimelb.edu.au)</p> <p><b>Semester 2</b> Associate Professor Asjeet Lamba Email: <a href="mailto:asjeet@unimelb.edu.au">asjeet@unimelb.edu.au</a> (mailto:asjeet@unimelb.edu.au)</p>
<b>Subject Overview:</b>	<p>This subject is designed to equip students with the tools necessary to enable them to make the core decisions faced by managers and investors. The first part of the subject deals with establishing the environment in which organizations operate, namely the objectives of the suppliers of financial and human capital. The subject then considers the basic tools commonly employed by financial managers and investors including discounted cash flow techniques and financial mathematics. Measures and definitions of alternative forms of risk are considered and the relation between risk and expected reward in capital markets is established. Finally, the subject considers the important decisions faced by firms (investment, financing, dividend policy, hedging and executive compensation) and by investors (the composition of their optimal retirement portfolio).</p>
<b>Learning Outcomes:</b>	<p>On successful completion of this subject, students should be able to:</p> <ul style="list-style-type: none"> <li># Analyse the environment in which organizations operate, namely the objectives of suppliers of financial and human capital;</li> <li># Apply basic financial mathematical techniques;</li> <li># Recognise the fundamentals of capital budgeting; the foundation for the use discounted cash flow techniques and the contribution of alternative methods of project evaluation;</li> <li># Explain the benefits of diversification and the main drivers of those benefits;</li> </ul>

	<ul style="list-style-type: none"> <li># Differentiate between alternative forms of risk and understand the link between risk and return in a competitive market;</li> <li># Describe the nature of leverage and the constraints borrowers face in its use;</li> <li># Evaluate the alternatives available to a firm when deciding how to distribute its profits;</li> <li># Analyse hedging decisions and their effect on investor and/or manager utility; and</li> <li># Understand the costs and incentive effects of alternate executive compensation packages.</li> </ul>
<b>Assessment:</b>	2 x 750 word individual homework assignments to be assessed online via the LMS (total 1500 words), Weeks 5-7 and 9-11 (20% - 2 x 10%) 1 hr mid-semester exam (20%) 2 hr end-of-semester exam (60%)
<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>
<b>Generic Skills:</b>	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> <li># An in-depth knowledge of capital markets through an interpretation and analysis of the environments in which these markets operate;</li> <li># Critical and evaluative thinking in relation to alternate forms of risk;</li> <li># Communication skills which will be developed through an engagement with business press reporting;</li> <li># Problem solving skills through discussion of decisions in relation to optimal debt levels for firms; optimal investment decision and optimal dividend policy;</li> <li># Synthesis of data and other information through discussion of alternatives in financial decision making;</li> <li># Evaluation of data and other information through differentiation of forms of risk;</li> <li># Interpersonal and decision-making skills and receptiveness to alternative ideas through tutorial and team work/collaborative exercises; and</li> <li># Ethical thinking and work practice skills in financial decision making through case studies.</li> </ul>
<b>Related Course(s):</b>	Master of Energy Systems Master of Engineering Management Master of Information Systems Master of Information Systems Master of International Business Master of Management Master of Management (Accounting) Master of Management (Finance) Master of Management (Human Resources) Master of Management (Marketing) Master of Operations Research and Management Science Master of Property
<b>Related Majors/Minors/Specialisations:</b>	300 point Master of Property Master of International Business electives