

FINC 2003 CORPORATE FINANCE (UG)

Credit Points 10

Coordinator Girijasankar Mallik ([https://directory.westernsydney.edu.au/search/name/Girijasankar Mallik/](https://directory.westernsydney.edu.au/search/name/Girijasankar%20Mallik/))

Description This subject introduces the fundamental concepts of finance theory and the tools of financial decision making in the context of the Australian institutional environment. These concepts relate primarily to the time value of money, risk and return, capital budgeting and capital structure. The subject's purpose is to develop an understanding of the basic practices of financial management from the perspective of a firm (both large and small). Students examine the investment, financing and dividend decisions of corporations.

School Business

Discipline Banking and Finance

Student Contribution Band

Check your fees via the Fees (https://www.westernsydney.edu.au/currentstudents/current_students/fees/) page.

Level Undergraduate Level 2 subject

Pre-requisite(s) ECON 1016

Equivalent Subjects ECON 2002

Learning Outcomes

After successful completion of this subject, students will be able to:

1. Apply the concept of time value of money to financial decision making.
2. Identify and evaluate sources of finance and their costs in the Australian financial environment.
3. Estimate the value of beta using the Capital Asset Pricing Model.
4. Calculate the Net Present Value and Internal Rate of Return for individual firm.

Subject Content

1. Financial mathematics and time value of money.
2. Risk and return for individual asset and portfolio.
3. Diversifiable and non diversifiable risk.
4. Capital Asset Pricing Model.
5. Bond and share valuation.
6. Capital budgeting and basic cash management.
7. Cost of capital and dividend policy.
8. Leasing and introduction to options.
9. Leverage and capital structure.
10. Mergers and acquisitions

Special Requirements

Essential equipment

All students need a scientific calculator for this subject. The calculator should have the SD and/or STAT (for standard deviation calculation) and REG/LR (for correlation coefficient and regression) function. Students must bring the calculator to each workshop (starting from week 1).