

# 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/](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).