



UNIT OUTLINE

Financial Management

UNIT CODE AND TITLE	BA701 Financial Management
AUTHOR	Ken Morris
SCHOOL	Business
COURSE	Bachelor of Commerce
PREREQUISITES	BA603 Corporate Accounting or BA613 Management Accounting 1; MB521 Business Statistics (or equivalent)
COREQUISITES	None
DURATION	One teaching period
CREDIT POINTS	15

OBJECTIVES

The objective of this unit is to assist students in:

- identifying and analysing the financial decisions made by financial managers,
- gaining an understanding of the theory of finance and the theoretical models applied in finance,
- developing skills in the use of techniques which assist in the decision making process, and
- gaining an understanding of the fiscal and institutional environment in which financial decisions are made.

More specifically, this unit is designed to develop:

Knowledge

an understanding of:

- the financial characteristics of various financial policies
 - the features of specific forms of domestic and international business finance and identify the circumstances when each is appropriate
 - the key factors affecting financial performance
 - the principles of risk minimisation strategies
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Skills

the ability to:

- evaluate the effects of alternative financial policies
- calculate a firm's cost of capital
- evaluate alternative growth scenarios and related financing needs
- determine the appropriate mix of finance for various stages of development
- select appropriate risk minimisation strategies which are consistent with management policies and preferences

Values/attitudes

an appreciation of:

- the complexity of the domestic financial environment
- the dynamic nature of financial management and need to monitor financial performance
- the need to keep abreast of developments in financial instruments and markets

CONTENT

- Financial statement analysis and financial forecasting
- Working capital management
- Sources and types of finance
- The valuation of marketable instruments
- Issues in project evaluation
- Cost of capital
- Risk analysis
- Capital structure decisions and dividend policy

LEARNING TASKS AND ASSESSMENT

Learning Tasks	Assessment	Weighting
Completion of up to two assessable tasks (test and/or assignments) involving the application of financial management knowledge and skills within case study or essay contexts.	Test and/or written report	35 - 45%
	Examination	55 - 65%

Note to assessment:

It will be necessary for all assessable tasks to be submitted and a minimum **MN** grade attained in the final examination before an overall pass grading might be achieved.

METHODOLOGY

Lectures, tutorials, independent reading and tutorial preparation, assignment preparation.

REFERENCES

- Beal, D. and Goyen, M. 2005, *Introducing Corporate Finance*, Wiley, Milton, Qld.
- Brealey, R., Myers, S., Partington, G. and Robinson, D. 2000, *Principles of Corporate Finance*, McGraw Hill, Sydney.
- Bishop, S., Faff, R., Oliver, B. and Twite, G. 2004, *Corporate Finance*, 5th edn, Pearson, Frenchs Forest, NSW.
- Gitman, L., Jachau, R., and Flanagan, J. 2005, *Principles of Managerial Finance*, 4th edn, Addison Wesley, Frenchs Forest, NSW.
- Peirson, G., Brown, R. Easton, S. and Howard, P. 2006, *Business Finance*, 9th edn, McGraw Hill, Sydney.
- Petty, J., Keown, A., Scott, D., Martin, J., Burrow, M., Martin, P. and Nguyen, H. 2006, *Financial Management*, 4th edn, Pearson, Frenchs Forest, NSW.
- Ross, S., Thompson, S., Westerfield, R. and Jordan, B. 2004, *Fundamentals of Corporate Finance*, 3rd edn, McGraw Hill, Sydney.
- Viney, C. 2003, *McGrath's Financial Institutions, Instruments and Markets in Australia*, 4th edn, McGraw Hill, Sydney.