

School / Faculty: Federation Business School

Course Title: FINANCIAL POLICY

Course ID: BUACC6925

Credit Points: 15.00

Prerequisite(s): (BA401 or BUACC5901)

Co-requisite(s): Nil

Exclusion(s): (BA936 and BUACC5936)

ASCED Code: 080101

Grading Scheme: Graded (HD, D, C, etc.)

Program Level:

AQF Level of Program						
	5	6	7	8	9	10
Level						
Introductory	■	■	■	■	■	■
Intermediate	■	■	■	■	✓	■
Advanced	■	■	■	■	■	■

Learning Outcomes:

Knowledge:

- K1.** Analyse investment proposals on the basis of their relative merit and their effect on the worth of the firm.
- K2.** Articulate the arguments as to whether alternative capital structures have an impact upon the value of a firm
- K3.** Synthesise the interplay between Dividend Policy, Capital Structure settings, and Capital Investment programs, and predict the consequences of having a stable versus variable dividend policy

Skills:

- S1.** Critically evaluate alternative financial policies related to capital investment, financial structure, and striking a balance between retaining profits for re-investment and paying dividends to shareholders
- S2.** Structure financial information into a form that allows for rigorous analysis
- S3.** Apply skills in financial mathematics to assist in making informed decisions related to investment, capital structure and dividends.

Application of knowledge and skills:

Course Outline (Higher Education)

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- A1.** Demonstrate a proficiency in formulating and solving financial problems related to annuities, present and future values, loan payment schedules, valuation of cash flows and cost of capital
- A2.** Evaluate alternative growth scenarios and related financing needs that conform to established financial policy settings
- A3.** Devise risk minimisation strategies related to interest rate or foreign exchange variations that are consistent with management risk management policies and preferences

Course Content:

Topics may include:

- Financial characteristics of a firm, basic asset and financing structures, and strategies
- Pricing of financial assets
- Financial forecasting: assessing the impact of corporate growth on financial needs, the notion of sustainable growth.
- Analysis of capital investments
- Principles of diversification: risk/return trade-off and the Capital Asset Pricing Model (CAPM).
- Risk minimisation strategies: exchange rate and interest rate risk management.
- Sources, types and cost of finance: short, medium and long term finance from the domestic and international markets.
- Contemporary financial instruments such as futures contracts and options in addition to the traditional forms such as debentures, leasing, factoring and the various forms of equity finance.
- Management of assets: current asset management and strategic investment in long term assets.

Values and Graduate Attributes:

This course will help students to develop values and attributes that will enable them to:

Values:

- V1.** Conduct business and make decisions in an ethical, socially responsible and quantitatively justifiable manner
- V2.** Be valued highly by employers for their ability to accept responsibility for, and display initiative in making business decisions

Graduate Attributes:

FedUni graduate attributes statement. To have graduates with knowledge, skills and competence that enable them to stand out as critical, creative and enquiring learners who are capable, flexible and work ready, and responsible, ethical and engaged citizens.

Course Outline (Higher Education)

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Attribute	Brief Description	Focus
Knowledge, skills and competence	The confidence gained from meeting the problem-solving challenges of this course will develop a self-assurance in graduates to seek out opportunities to apply and further develop their financial knowledge and skills.	Low
Critical, creative and enquiring learners	Financial Policy will contribute to the rounding of the student's management education, providing them with the knowledge and confidence to make or contribute to independent, valid and reliable business decisions.	Medium
Capable, flexible and work ready	Graduates of this course will feel empowered to engage in and contribute to constructive dialogue with finance professionals and other primary decision-makers in their workplace or community	Medium
Responsible, ethical and engaged citizens	This course will ensure that students make financial decisions that are equally informed by considerations of ethics, corporate social responsibility and profitability	Medium

Learning Task and Assessment:

Learning Outcomes Assessed	Assessment Task	Assessment Type	Weighting
K1, K2 S1,S3 A1	Financial mathematics and short answers	Test	10-30%
K1, K2, K3 S1, S2, S3 A1, A2, A3	Case Study involving students working in groups	Assignment	30-50%
K1, K2, K3 S1, S2, S3, A1, A2, A3	Examination	Examination	40-60%

Adopted Reference Style:

APA