

This subject considers the range of funding decisions facing firms. It provides a theoretical framework for funding decisions, and gives students the skills to consider financing options and present a well argued case for the type of funding that is most suitable within the firm's financing and management constraints.

Learning outcomes

At the completion of this subject students should be able to:

- Discuss and apply the key theories which inform the fundraising and capital structure management process
- Identify and evaluate factors influencing the funding decision
- Interpret and analyse various corporate finance scenarios
- Critically evaluate sources and types of funding
- Identify and discuss some of the constraints in raising capital
- Discuss management and legal issues that arise when raising capital
- Demonstrate and apply funding skills in a range of contexts

Subject content

- Fundamentals of funding
- Debt products — Bank lending and trade finance
- Debt capital markets — commercial paper and notes
- Debt capital markets — bonds and debentures
- Hybrid issues
- Equity financing – Part 1
- Equity financing – Part 2
- Private equity financing
- Asset and Project Finance
- Securitisation and Special Purpose Vehicles

Assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	40%
Examination	Week 12	60%

Delivery method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led Discussion Forums, online exercises, library and further resources.

Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects ([FIN111](#), [FIN112](#), [FIN113](#) and [FIN114](#)). This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

Kaplan recommends that you complete the following Kaplan Education subject (or have a thorough working knowledge of the content) prior to enrolling in this unit:

- Applied Valuation ([FIN224](#))

Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: Reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

Reading list

The following list of references provides the student with key and additional reading material.

Prescribed text

Viney, C 2009, *McGrath's financial institutions, instruments and markets*, 6th ed., McGraw-Hill. ISBN 9780070140899

Retailers of educational books include Co-op Bookshop, Uni Books, McGill's Bookshop, Boffins Bookshop. The text can also be borrowed from the Kaplan library or other libraries.

Additional readings:

Bruce, R et al. (ed.) 1990, *International corporate finance: a handbook for Australian business*, 1st ed., Butterworth Law. ISBN 9780409301960

Eiteman, D and Stonehill, A 2007, *Multinational business finance*, Pearson Education Australia. ISBN 9780733980848

Jenkinson, T, Ljunqvist, A, and Ritter, J 2001, *Going public – the theory and evidence on how companies raise equity finance*, 2nd ed., Oxford University Press. ISBN 9780198295990

Lease, RC et al 2000, *Dividend policy: it's impact on firm value*, Oxford University Press, ISBN 9780875844978

Peirson, G et al. 2005, *Business finance*, 9th ed., McGraw-Hill. ISBN 9780074719770

Frino, A, Hill, A, & Chen, Z 2009, *Introduction to corporate finance*, 4th edn, Pearson Education.