

With the recent spate of companies experiencing financial difficulties, the issue of sound financial management is now more important than ever. This subject enables students to appreciate and understand the financial issues faced by an organisation's management and the activities undertaken by an organisation to have effective financial management.

It examines relevant issues including financial strategy, debt and equity management, the key drivers of shareholder value, corporate governance and asset portfolio management.

Learning outcomes

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

- Identify and discuss the fundamental objectives of corporate financial management and apply them in a practical setting
- Explain the roles of the key stakeholders and decision-makers in a corporation's financial management function
- Identify and discuss the key financial issues surrounding the creation of shareholder value
- Explain the importance of the effective management of earnings and cash flows in a changing financial environment
- Describe the issues relating to the management of a portfolio of assets, particularly in terms of the management of physical assets
- Critically analyse the theories that relate to financial strategy, the reasoning underlying those theories and the assumptions on which the theories are based
- Demonstrate an understanding of the thought and decision-making processes undertaken in relation to mergers and acquisitions and capital management (principally debt and equity)
- Identify and discuss financial management issues with reference to examples drawn from recent Australian and international corporate history.

Subject content

- Introduction to financial management
- Key drivers of shareholder value
- The importance of earnings and cash flows
- Capital management
- Financial strategy
- Risk management
- Mergers and acquisitions

Assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	50%
Examination	Week 12	50%

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 students complete the following Kaplan Education subjects (or have a thorough working knowledge of the content) prior to enrolling in this unit:

- Applied Valuation ([FIN224](#))
- Funding Sources ([FIN223](#))

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 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

Ross, S, Traylor, R, Bird, R, Westerfield, R, & Jordan, B 2008, *Essentials of Corporate Finance*, 1st edn, McGraw-Hill Australia

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:

Brealey, R, Myers, S & Allen, F 2007, *Principles of corporate finance*, 9th edn, McGraw-Hill.

Ross, S, Thompson, S, Christensen, M, Westerfield, R, & Jordan, B 2007, *Fundamentals of corporate finance*, 4th edn., McGraw-Hill Australia.