



APPLIES TO ACADEMIC YEAR  
2001/2002

## **BØK 9932 Financial Strategy**

### **Program**

Bachelor of Business Administration Program in Finance, Exchange Program

### **Responsible for the course**

Knut Sagmo

### **Department**

Financial Economics

### **Term**

Fall

### **ECTS Credits**

6

### **Objective**

The main objective of the course is to provide students with basic understanding and knowledge of theories relating to firms' major financial decisions, such as choice of capital structure and dividend policy. Also; the students are supposed to acquire an understanding of option pricing theory and how firms' financial decisions are affected in an international environment.

### **Prerequisites**

Basic Financial Management from a first-year Foundation Program in Business Administration, or equivalent.

### **Compulsory literature**

Ross, Stephen A., Randolph W. Westerfield and Bradford D. Jordan.  
1998. *Fundamentals of corporate finance* .. 4th alternate ed. Chicago: Irwin/McGraw-Hill.  
Selected articles.

### **Recommended literature**

To be announced in class.

### **Course outline**

1. Financial Leverage and Risk
2. Capital Structure Decisions
3. Adjusted Present Value
4. Dividend Policy
5. Option Pricing Theory
6. International Financial Management

### **Computer-based tools**

Students are recommended to use computer-based tools, such as spreadsheets and statistical software. Such tools, however, are not allowed at the examination.

### **Course structure**

The course is based on 36 hours of lectures. Exercises demonstrating practical applications of theory are extensively used during class-meetings. No mid-term examinations are given, but completion of three home-assignments is required prior to signing up for the final exam. BØK 9932 is taught in parallel to BØK 9432 Finansiell styring. The final exam is common and is held at the same day and time for both courses. The final exam is given in English for BØK 9932 and in Norwegian for BØK 9432.

### **Evaluation**

One final, three-hour, multiple-choice exam concludes the course. The final exam determines the course-grade.

**Evaluation code(s)**

BØK 99321 Financial Strategy - Multiple-choice, 2 credits.

**Aids at the examination**

Programmable calculator and interest rate tables.

**Makeup exam**

At the next ordinary exam.