



BØK 9932 Financial Strategy

Studium

Diplomøkonomstudiet i finans (2. år), Exchange Program

Kursansvarlig

Knut Sagmo

Institutt

Finansiell økonomi

Semester

Høst

Vekttall

2

Mål

The main objective of the course is to provide students with a basic understanding and appreciation of the main theories relating to understanding 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 exposed to additional uncertainty in an international environment.

Forkunnskaper

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

Obligatorisk litteratur

Ross, Stephen A., Randolph W. Westerfield and Jeffrey Jaffe. 2001. *Corporate Finance*. 6th ed. Chicago: Irwin/McGraw-Hill International Editions (RWJ).
All articles, handouts and material discussed in class.

Anbefalt litteratur

To be announced in class.

Emneoversikt

1.	Introduction to Corporate Finance	ch. 1	(RWJ)
2.	Financial Leverage, Risk and Return	ch. 12	"
3.	Capital Structure: Basic Concepts	ch. 15	"
4.	Capital Structure: Limitations to Debt	ch. 16	"
5.	Valuation, Leverage and the APV-approach	ch. 17	"
6.	Dividend Policy	ch. 18	"
7.	Options and Corporate Finance: Basics	ch. 21	"
8.	Options and Corporate Finance: Extensions	ch. 22	"
9.	International Corporate Finance	ch. 32	"

Dataverktøy

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

Gjennomføring

The course is based on 36 lecture-hours of teaching (12 lectures in total). Exercises highlighting and demonstrating practical applications of the theory will be used extensively in class. Completion with a passing grade on four home-assignments is required prior to being allowed to register for the exam. This requirement will be strictly enforced. The final exam is given in English.

Eksamen

A final, 3-hour, multiple-choice exam concludes the course. The exam grade determines 100% of the course-

grade.

Eksamenskode(r)

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

Hjelpemidler til eksamen

Programmable calculator and interest rate tables.

Kontinuasjon

At the next ordinary exam.