



APPLIES TO ACADEMIC YEAR 2007/2008

## **BØK 9432 Financial Strategy**

### **Program**

Bachelor in Business Administration (3. year)

### **Responsible for the course**

Dag Michalsen

### **Department**

Financial Economics

### **Term**

According to study plan

### **ECTS Credits**

6

### **Language of instruction**

Norwegian

### **Objective**

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

### **Prerequisites**

The course Basic Financial Management from the Bachelor of Business Administration Program or equivalent.

### **Compulsory literature**

#### **Books:**

Bøhren, Øyvind og Dag Michalsen. 2006. Finansiell økonomi: teori og praksis. 3. utg. Oslo: Skarvet forl.. Kapittel 6-11

Korsvold, Pål E.. 2000. Valutastyring. 2. utg. Oslo: Cappelen akademisk forl.. Kapittel 1-7

#### **Other:**

Rentetabeller. Siste utgave. Oslo: Handelshøyskolen BI

### **Recommended literature**

#### **Other:**

Korsvold, Pål E. og Dag Michalsen. 1997. Eksamensoppgaver med løsningsforslag i finans. Siste utgave. Oslo: BI Forlag

### **Course outline**

- |    |                                     |            |
|----|-------------------------------------|------------|
| 1. | Financial Leverage and Risk.        | BM ch. 6   |
| 2. | Capital Structure Decisions.        | BM ch. 7-8 |
| 3. | Adjusted Present Value.             | BM ch. 9   |
| 4. | Dividend Policy.                    | BM ch. 10  |
| 5. | Option Pricing Theory.              | BM ch. 11  |
| 6. | International Financial Management. | K ch. 1-7  |

### **Computer-based tools**

Students are recommended to use computer-based tools, e.g. spreadsheets. Such tools, however, are not allowed at the examination.

### **Course structure**

The course is based on 36 teaching hours of lectures. Exercises intended to demonstrate the practical use of theory are included in the lectures.

**Evaluation**

A five hour individual written exam concludes the course.

**Evaluation code(s)**

BØK 94321 - written exam, counts 100% of a grade in the course BØK 9432 Financial Strategy, 6 ECTS credits.

**Aids at the examination**

Advanced calculator and interest rate tables are allowed.

Support materials at written examinations are explained under exam information in our web-based student handbook. Please note use of calculator. <http://www.bi.no/studenthandbook>

**Makeup exam**

A re-sit is normally held at the end of the next course.