



APPLIES TO ACADEMIC YEAR 2009/2010

## EXC 2501 Financial Decision Making

### Programme

Bachelor in Business Administration (3. year)

### Responsible for the course

### Department

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

### 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 reading

#### Books:

Brealey, R.A., S.C. Myers and A.J. Marcus. 2009. Fundamentals of corporate finance. 6th ed. Boston: McGraw-Hill/ Irwin. The 4th edition may be used by students already having purchased it.

### Recommended reading

### Course outline

|   |             |
|---|-------------|
| Financing   | (ch. 13-14) |
| Capital Structure Decisions                         | (ch. 15)    |
| Dividend Policy                                     | (ch. 16)    |
| Mergers and Aquisitions                             | (ch. 22)    |
| International Financial Management                  | (ch. 23)    |
| Options   | (ch. 24)    |
| Risk Management                                     | (ch. 25)    |
| What We Do and What<br>We Do Not Know about Finance | (ch. 26)    |

### 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.

### Examination

A three-hour multiple-choice exam concludes the course.

**Exam code(s)**

EXC 25011 - Multiple Choice exam, counts 100% of a grade in the course EXC 2501 Financial Decision Making, 6 credits.

**Examination support materials**

BI-approved exam calculator and interest rate tables are allowed.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.  
<http://www.bi.edu/studenthandbook/examaids>

**Re-sit examination**

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

**Additional information**

Due to changes in our Bachelor Programmes from autumn 2009, there also will be changes in every single course.

This course will be taught for the last time autumn 2010. Re-sit exam will be offered every term from autumn 2011 even spring 2013.