



APPLIES TO ACADEMIC YEAR 2010/2011

## EXC 2501 Financial Decision Making

### Programme

Bachelor in Business Administration (BBA) (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 is based on Basic Financial Management from the Bachelor of Business Administration Programme 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	(chapter 13-14)
Capital Structure Decisions	(chapter 15)
Dividend Policy	(chapter 16)
Mergers and Aquisitions	(chapter 22)
International Financial Management	(chapter 23)
Options	(chapter 24)
Risk Management	(chapter 25)
What We Do and What We Do Not Know about Finance	(chapter 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 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.

**Examination code(s)**

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

**Examination support materials**

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

Examination support materials at written examinations are specified under exam information in our web-based Student Handbook. Please note the 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 the autumn semester of 2009, there also will be changes in every single course. This course will be taught for the last time in the autumn semester of 2010. A re-sit exam will be offered every term from the autumn 2011 including the spring semester of 2013.