

MURDOCH MBA PROGRAMME - 5th Intake

**Business Finance**

Program and Schedule:

7.2.1998

Financial Statement Analysis;  
Profitability, Solvency, Liquidity;  
Financial Planning.  
Case Problem: Potter Lumber.

14.2.1998

Time Value of Money; Future value, Present value, Annuities;  
Present Value of Bonds; Yield to Maturity;  
Present Value of Stocks; Growth, Dividends, Gordon Rule;  
Cost of Capital; Asset Valuation models.

21.2.1998

Risk vs. Return; Portfolio theory.  
Pricing models: early models, CAPM, APT, Factor models;  
The CAPM in Capital Budgeting.  
Modigliani-Miller Theorems on the Cost of Capital;  
Weighted Average Cost of Capital

28.2.1998

***Mid-term Exam.***

Where a positive NPV comes from;  
Market Efficiency, Arbitrage.  
Options, Futures, Warrants, Convertibles; Hedging.  
Case problem: MCI Communications Corporation.

7.3.1998

Term structure of Interest Rates; Money Market.  
Different types of debt; Leasing  
International Finance, Exchange Rate risk,  
Forward contracts; Swaps.

***Final Exam.***

Text: Brealey & Myers, “**Principles of Corporate Finance**”.