Master of Business (Applied Finance) - Advanced (BS17)

**Year offered:** 2011  
**Admissions:** Yes  
**CRICOS code:** 059600M  
**Course duration (full-time):** 4 semesters  
**Course duration (part-time):** 8 semesters  
**Domestic Fees (indicative):** 2011: Full fee tuition $9,750 (indicative) per semester  
**International Fees (indicative):** 2011: Full fee tuition $11,800 (indicative) per semester  
**Domestic Entry:** February and July  
**International Entry:** February and July  
**Course coordinator:** Enquiries to Business Student Services on 3138 2050 or email bus@qut.edu.au  
**Discipline coordinator:** Dr William Wild  
**Campus:** Gardens Point

**Course design**  
Students must undertake 192 credit points consisting of 144 credit points of prescribed units and 48 credit points of approved option (elective) units. Students should follow the standard course progressions as outlined in the below course structures otherwise difficulties with completing the requirements of the course may be encountered. Students should contact the Brisbane Graduate School of Business for course progression advice if required.

Students may exit from the Master of Business (BS17) at the following stages, once those particular course requirements have been met:  
- Master of Business (BS16) (Study Area A)  
  - Graduate Diploma of Business (BS79) (Study Area A)  
  - Graduate Certificate in Business (BS39) (Study Area A)

Students seeking to exit early from the Master of Business Advanced course and graduate with an approved exit course should lodge an application during the teaching period in which they expect to complete their studies.

Students who have completed an undergraduate degree in a Business related or other cognate degree directly related to the discipline area within the last five years, may be eligible for exemptions up to a maximum of 48 credit points. For further information on exemptions, please refer to the Master of Business Advanced overview.

Some applicants may require unit substitution if they have studied equivalent or similar units in their undergraduate degree. Nominated substitution units are subject to approval by the Subject Area Coordinator.

**Abbreviation**

```
Master of Business Applied Finance Advance Compulsory
```

**Entry requirement (domestic and international students)**  
For all specialisations the entry requirements are an undergraduate degree or equivalent in any field, with an overall minimum GPA of 4.0 (on a 7-point scale).

The Applied Finance discipline is designed for people with no or limited academic background in finance. Holders of an undergraduate degree in Finance interested in the Applied Finance discipline are invited to contact the Brisbane Graduate School of Business to determine if an individualised advanced finance program plan can be developed.

**English language requirements**  
In addition to the above academic entry requirements, standard English language requirements apply. See the details for ‘all degrees’ at: http://www.qut.edu.au/study/applying/english-language-requirements.jsp

**Limits on grades of 3**  
A new policy concerning grades of 3 came into effect from 1 January 2009 (QUT MOPP C/5.2). With effect from this date grades of 3 are no longer considered a conceded or low pass but are classified as a fail grade. Any grades of 3 awarded prior to 1 January 2009 retain the conceded pass status and will be counted for graduation purposes up to the maximum number of grades of 3 permitted for your course. Grades of 3 incurred in units that commence after 1 January 2009 will not count towards your degree. Further information is available on the Student Services website

**Pathways programs (international students)**  
Pathways units are designed for academically qualified students who do not meet the language requirements. For information and entry requirements for Pathways, please see the Master of Business - Advanced overview.

**Articulation**  
Students who have articulated from the Graduate Certificate in Business Applied Finance may receive exemptions for up to 48 credit points. Students who have articulated from the Master of Business Applied Finance program may receive up to 144 credit point of exemptions.

**Applied Finance Unit Set (AFQ)**
### Units

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFN405</td>
<td>Managerial Economics</td>
</tr>
<tr>
<td>EFN406</td>
<td>Managerial Finance</td>
</tr>
<tr>
<td>EFN420</td>
<td>Introduction To Financial Management</td>
</tr>
<tr>
<td>AYN456</td>
<td>Business and Corporations Law</td>
</tr>
<tr>
<td>EFN415</td>
<td>Security Analysis and Portfolio Management</td>
</tr>
<tr>
<td>EFN412</td>
<td>Advanced Managerial Finance</td>
</tr>
</tbody>
</table>

Plus 6 units from:

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFN410</td>
<td>Economic and Financial Modelling</td>
</tr>
<tr>
<td>EFN414</td>
<td>International Finance</td>
</tr>
<tr>
<td>EFN416</td>
<td>Treasury and Portfolio Management</td>
</tr>
<tr>
<td>EFN421</td>
<td>Financial Planning and Strategies</td>
</tr>
<tr>
<td>EFN424</td>
<td>Equity Trading Floor</td>
</tr>
<tr>
<td>EFN501</td>
<td>Corporate and Commercial Lending</td>
</tr>
<tr>
<td>EFN505</td>
<td>Financial Risk Management</td>
</tr>
<tr>
<td>EFN507</td>
<td>Advanced Capital Budgeting</td>
</tr>
<tr>
<td>BSN404</td>
<td>Project 1</td>
</tr>
</tbody>
</table>

### Plus an additional 48 Credit Points from either:

- (1) Further advanced Finance Studies;
- (2) A 48cp minor from another Business stream;
- (3) A 48 cp Dissertation

**Full-time, Semester 1 Entry**

#### Year 1, Semester 1

- EFN405 Managerial Economics
- EFN406 Managerial Finance
- EFN420 Introduction To Financial Management
- AYN456 Business and Corporations Law

#### Year 1, Semester 2

- EFN412 Advanced Managerial Finance
- EFN415 Security Analysis and Portfolio Management
- EFN421 Financial Planning and Strategies
  - Plus 2 Units from:
    - EFN414 International Finance
    - EFN424 Equity Trading Floor
- EFN424 Equity Trading Floor

#### Year 2, Semester 1

- Four units from:
  - EFN410 Economic and Financial Modelling
  - EFN416 Treasury and Portfolio Management
  - EFN421 Financial Planning and Strategies
  - EFN501 Corporate and Commercial Lending
  - EFN505 Financial Risk Management
  - BSN404 Project 1

#### Year 2, Semester 2

- 48 Credit Points from EITHER:
  - (1) Further advanced Finance Studies;
  - (2) A 48cp minor from another Business stream;
  - (3) A 48cp Dissertation

**Full-time, Semester 2 Entry**

#### Year 1, Semester 2

- EFN405 Managerial Economics
- EFN406 Managerial Finance
- EFN420 Introduction To Financial Management
- AYN456 Business and Corporations Law

#### Year 2, Semester 1

- EFN412 Advanced Managerial Finance
- EFN415 Security Analysis and Portfolio Management
  - PLUS 2 Units from:
    - EFN416 Treasury and Portfolio Management
    - EFN421 Financial Planning and Strategies
    - Business Postgraduate Option Unit

#### Year 2, Semester 2

- Four Units from:
  - EFN410 Economic and Financial Modelling
  - EFN414 International Finance
  - EFN421 Financial Planning and Strategies
  - EFN424 Equity Trading Floor
  - EFN505 Financial Risk Management
  - EFN507 Advanced Capital Budgeting
  - BSN404 Project 1

**Business Postgraduate Option Unit**

---

CRICOS No. 00213J ABN 83 791 724 622
Year 3, Semester 1

48 Credit Points from EITHER:
(1) Further advanced Finance Studies, OR
(2) A 48cps from another Business stream, OR
(3) 48cp Dissertation

Potential Careers:
Banking and Finance Professional.

UNIT SYNOPSES

AYN456 BUSINESS AND CORPORATIONS LAW
This unit will introduce students to the Australian legal environment and develop students’ knowledge and understanding of the basic principles of business law and the Austraian corporations legislation. Students will be encouraged to develop their research and analytical skills relevant to contemporary business and corporate practice.

Prerequisites: AYN410 and AYN412
Credit points: 12
Campus: Gardens Point
Teaching period: 2011 SEM-1 and 2011 SEM-2

BSN404 PROJECT 1
This unit is designed to permit the student to undertake a research project, subject to the approval of the Course Coordinator.

Prerequisites: MKN101, MKN102, MKN103
Credit points: 12
Campus: Gardens Point
Teaching period: 2011 SEM-1, 2011 SEM-2 and 2011 SUM

EFN405 MANAGERIAL ECONOMICS
This unit addresses the following topics: managerial decision making in an economic environment; an introduction to economics, demand analysis, cost analysis, market strategy and the macroeconomic environment; issues including problems of resource allocation at the firm, in industry and in the economy.

Prerequisites: GSN203, GSN411, GSN414, GSN491, GSN492 and GSZ491
Credit points: 12
Campus: Gardens Point
Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN406 MANAGERIAL FINANCE
This unit is an introduction to the world of finance and financial management. Topics include: the finance function, the role of the financial manager; the Australian financial environment; sources of funds; present and future value; time value of money; financial mathematics; introduction to valuation; cost of funds; the firm investment decision; investment evaluation techniques; capital budgeting; portfolio theory; risk and return; capital asset pricing model; dividend policy; financial structure policy; futures; options.

Antirequisites: GSN413, GSN423, GSZ413
Equivalents: EFX406
Credit points: 12
Contact hours: 3 per week
Campus: Gardens Point
Teaching period: 2011 SEM-1, 2011 SEM-2 and 2011 SUM

EFN410 ECONOMIC AND FINANCIAL MODELLING
This unit introduces students to the modelling techniques which are frequently used in a business and financial environment. Modelling is used as an aid to decision-making, as a means of forecasting important variables and as a planning and analysis tool. Various modelling exercises are used to illustrate the use of these modelling techniques in an economic and financial context.

Prerequisites: EFN412
Antirequisites: AYN419, EFN503
Equivalents: EFX410
Credit points: 12
Contact hours: 3 per week
Campus: Gardens Point
Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN412 ADVANCED MANAGERIAL FINANCE
This unit expands on material introduced and developed in EFN406 Managerial Finance. Its objective is to examine the key decisions made by corporate financial managers (that is the investment, financing and dividend decisions). Topics include: the financing decision ¿ capital structure, debt versus equity, lease versus debt, term structure versus default structure of interest rates; the dividend decision ¿ dividends versus capital gains, franked versus unfranked income; firm valuation, free cash flow model, evaluation of takeovers; Risk and Return ¿ diversification, the CAPM model, its practical application and its relationship to efficient market hypothesis; forwards, futures, options, warrants, convertibles and risk management using financial derivatives.

Prerequisites: EFN406
Contact hours: 3 per week
Campus: Gardens Point
Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN414 INTERNATIONAL FINANCE
This unit introduces the theory and practice of international finance, the relationship between domestic and international financial markets, international parity conditions and arbitrage, foreign exchange risk management, country and political risk management, international trade finance, international portfolio investment, multinational cost of capital and capital structure, international capital budgeting and foreign direct investment.

Prerequisites: EFN406
Antirequisites: EFN417
Equivalents: EFX414
Credit points: 12
Contact hours: 3 per week
Campus: Gardens Point
Teaching period: 2011 SEM-2

EFN415 SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Page 3/5
This unit deals with security analysis and portfolio management. The unit is both practical and theoretical. Topics covered include: portfolio theory and the capital asset pricing model; bond and equity portfolio management; fundamental valuation techniques; portfolio hedging; active vs. passive investment strategies; and the evaluation of portfolio performance. The ultimate purpose of this unit is to provide the necessary tools for students to manage investment risk and return, select mispriced securities, design and administer investment portfolios, accomplish goals in portfolio management, and measure the performance of investment management.

Prerequisites: EFN406  Credit points: 12  Contact hours: 3 per week  Campus: Gardens Point  Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN416 TREASURY AND PORTFOLIO MANAGEMENT
This unit introduces the student to the treasury environment in which financial institutions operate. The key to the unit is the raising of funds and the management of interest rate risk. This unique hands-on unit allows students to develop these skills by trading in a simulated environment of international economic uncertainty. Students have trading parameters within which they should operate and decisions must be made concerning source of funds, term and duration, interest rate re-set, and risk management with derivatives. Trading will be conducted over a simulated four quarter year.

Prerequisites: EFN406  Credit points: 12  Contact hours: 3 per week  Campus: Gardens Point  Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN420 INTRODUCTION TO FINANCIAL MANAGEMENT
This unit is a preliminary study of financial information and financial markets and it includes a number of techniques required for analysing financial information.

Equivalents: EFX420  Credit points: 12  Contact hours: 3 per week  Campus: Gardens Point  Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN421 FINANCIAL PLANNING AND STRATEGIES
This unit aims to give students a solid grounding in the world of Financial Planning and Superannuation. This will involve gaining knowledge of financial markets and instruments as well as the appropriate regulatory framework.

Credit points: 12  Contact hours: 3  Campus: Gardens Point  Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN424 EQUITY TRADING FLOOR
The aim of the unit is to help students move away from the dualistic black and white way of thinking, towards being able to see issues from a range of viewpoints and perspectives, thereby enhancing their critical and technical ability.

Additionally, the unit aims to help improve the student research ability through the delivery of a large scale academic style portfolio that reflects their transition from theory to strategy and trading and reflection.

The unit is NOT designed to be taken as a traditional book learned class. Reading and knowledge is gained from many sources including case studies, books, journals and newspapers.

Antirequisites: EFB224  Credit points: 12  Campus: Gardens Point  Teaching period: 2011 SEM-2

EFN501 CORPORATE AND COMMERCIAL LENDING
This unit covers the theory and practice of lending by commercial banks to firms. Topics include the nature of financial intermediation, basic loan structure, costs of lending, lender’s compensation, and loan terms and conditions.

Prerequisites: EFN412  Credit points: 12  Campus: Gardens Point  Teaching period: 2011 SEM-1

EFN505 FINANCIAL RISK MANAGEMENT
The unit covers the main areas of modern risk management. The focus is on measuring and managing risks in financial institutions. Particular attention is paid to developing understanding of the analytical techniques employed in the construction of hedging strategies and the interrelations between the main areas of risk management. The unit emphasises empirical applications and assessment of risk management techniques. Topics covered include the current state of prudential regulation of financial institutions, measurement and management of market risks, hedging strategies with derivatives and managing interest rate and exchange rate risks.

Prerequisites: EFN415  Equivalents: EFX505  Credit points: 12  Contact hours: 3 per week  Campus: Gardens Point  Teaching period: 2011 SEM-1 and 2011 SEM-2

EFN507 ADVANCED CAPITAL BUDGETING
Topics in this unit include: capital investment analysis, the NPV rule, adjusted present value, replacement decisions, retirement decisions, unequal lives, optimal life, cost of capital, estimating beta, capital rationing, valuation of new issues, mergers and takeovers, analysis of financial and leverage leases, the impact of recent taxation changes on the financing, dividend and investment decisions of the firm, capital budgeting in an international context, access or infrastructure pricing, and real options. The course includes a series of case studies, problems and exercises, which require the student to apply the theory they have learned, to practical situations not covered in normal undergraduate
courses. A basic understanding of spreadsheets is assumed.

Prerequisites: EFN406 and EFN412  
Credit points: 12  
Contact hours: 3 per week  
Campus: Gardens Point  
Teaching period: 2011 SEM-2