



Finance Tahua

“I wasn’t initially a Finance major, but Finance became my passion. It was the first time in my life I enjoyed maths and problem-solving.”

Aaron Shields BCom
First NZ Capital

Money, markets and valuation

Finance is a decision-oriented discipline that is complex, challenging and dynamic. It’s about managing money and capital in the real world: making practical financial decisions that can add value to a business and the economy.

Finance focuses on investments (including portfolio theory); corporate finance (how businesses make internal financial decisions); derivatives (the study of financial securities deriving their value from other assets’ values); and international finance (finance across borders).

An understanding of Finance is essential to business, and Finance majors succeed in rewarding and highly-paid careers.

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Why study Finance?

Every person and every organisation raises and spends money. Finance examines the theory and practice of this process, with particular attention to the measurement and management of risk. It's about deciding how money is allocated in the real world.

Finance is both a science and an art – a science because it systematically analyses information and uses it to make and test predictions; an art because these activities are not exact and there is frequently no "right" answer.

Finance deals not only with the measurable, "quantitative" aspects, but also with the unmeasurable, in which intuition and experience play a strong role. Skills in these areas are invaluable in the workplace.

Above all, Finance is exciting. You will often have to make swift decisions concerning large amounts of money and resources.

Background required

There are no required subjects for studying Finance at Otago, but students who choose Finance usually have an interest in making decisions about managing and allocating money and resources. It's helpful if you've studied Economics, Accounting, Mathematics or Statistics at school, but these are not essential.

Career opportunities

The range of careers in finance is wide and varied, and well-paid. Graduates work in planning and budgeting, portfolio management, investments, securities, trading, risk management and foreign currency trading. They are employed by government departments, the education sector, banks, insurance companies, investment banks, accounting firms, stockbroking firms and many others.

Because a Finance degree is relevant to economic structures worldwide, it is highly exportable. There are many job opportunities overseas, and Otago graduates compete well in international markets.

Finance at Otago

Finance is a major of the three-year Bachelor of Commerce degree programme and is taught within the Department of Accountancy and Finance.

Finance is very different from accountancy and economics. Finance is decision-oriented and focuses on how individuals allocate resources through time, either inside an organisation (e.g. corporate finance) or outside it (e.g. investments). Economics provides the intuition that guides financial decisions, while accounting reports and monitors the results of financial decisions, as well as providing the information on which financial decisions are based.

Within the Finance degree, you will learn about components of the financial system and about the institutions and financial instruments that facilitate the transfer of funds between individuals, businesses and organisations.

The degree covers practical aspects such as the concepts of value creation, required rates of return, financial mathematics, capital budgeting, capital structure and dividend policies. You will also learn about fixed income securities, options and futures, shares and simple techniques for hedging risk, portfolio diversification and portfolio evaluation.

As you progress through the degree, and perhaps into postgraduate study, you will have the opportunity to specialise in those areas of finance that particularly interest you.

Teaching style

Finance is taught in lectures and tutorials. You may be asked to write individual essays and reports, work on cases, complete group project work, give presentations and sit exams.

Double major/degree options

Many subject areas complement finance and will strengthen your degree, including Accounting, Business Law, Economics, Mathematics, Statistics, Law and Information Science.

For questions about
Finance
otago.ac.nz/accountancyfinance



PROFILES

Lachie McLean BCom, Finance and Economics

Possessing a strong interest in numbers and personal investing, Finance offered me an analytical challenge with a particular focus on problem-solving. Alongside this, Economics offered a well-rounded perspective of how the world works, with a broad range of applications. These major subjects complemented each other and provided a framework in which I could develop intuition and critical thinking.

Studying at Otago has been an exceptional experience. The Otago Business School has provided a supportive learning environment in which I have formed strong relationships with many of my lecturers and other like-minded students who are both driven and social. Student-run activities, such as Business Case Competitions and Stock Pitch Competitions have also complemented my academic studies, allowing me to develop many soft skills necessary for the workplace.



Rosie Jerram BCom, Finance and Economics

Finance and Economics both offer interesting lenses through which to interpret the world. I chose Economics because I could see the value in learning the theory behind our economy and institutions, and Finance because of how practically it can be applied in life. Both of these majors offer a great balance between the quantitative and qualitative views on matters.

The opportunities that have been offered to me during my degree have been beyond

what I could have imagined leaving school. Joining clubs and taking part in competitions has really enhanced my experience, and given me practical opportunities to put my studies into practice. The rapport between students and the academic staff in the Business School makes things feel a lot more relaxed in the learning environment, and means it is easy to reach out for help when needed.

