



# ACST1001

## Finance Fundamentals

Session 1, Online-scheduled-In person assessment, North Ryde 2024

*Department of Applied Finance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Keith Woodward

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Credit points

10

Prerequisites

Corequisites

Co-badged status

Unit description

This unit focuses on the fundamental finance skills that are essential for any successful business.

Students will examine the roles and interaction of participants in the financial system and apply financial decision-making tools to value and evaluate investment and financing opportunities. Students will also learn about risk and return, the importance of cash flows and the various financial instruments traded in global financial markets.

Students will develop fundamental finance knowledge and apply this in authentic real-world problems.

Students will develop critical thinking and problem-solving skills.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

**ULO1:** Explain how the financial system supports and influences business decisions.

**ULO2:** Apply time value of money techniques to value financial instruments.

**ULO3:** Explain the relationship between risk and return and calculate the cost of capital for a business.

**ULO4:** Use critical thinking and problem solving to make investment and financing decisions for a business

## General Assessment Information

### Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for [Special Consideration](#).

### Workshop Participation - Active Engagement In Class Assessment (expectations, logistics, and special consideration)

Weekly tutorial workshop participation is expected throughout the session. Students are expected to attend all tutorial workshops and participate in activities. Student performance in these activities will be assessed during class. The best 8 out of 12 workshop marks will count towards your unit grade. Despite this '8 out of 12' requirement, participation in all workshops will enhance your chances of success in the unit, as workshops are where we engage with the unit material via active learning, as well as preparation and revision for other unit assessments. There is a positive correlation between workshop participation and unit success.

You do not need to submit a Special Consideration case unless you miss more than 4 workshops. If you do submit a Special Consideration case for the Active Engagement Assessment - in your case-ticket, you must specify how many workshops you have missed in total for this unit. Students who specify that they have only missed 4 or less workshops in total will have their cases automatically declined - as you still have the opportunity to have 8 submissions.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Workshop Participation</a>	20%	No	Weekly in tutorial workshops
<a href="#">Quizzes</a>	20%	No	First quiz Friday 22 March. Second quiz Friday 19 April.
<a href="#">Assignment</a>	20%	No	Monday 13 May at 11:59am midday Sydney time
<a href="#">Final Examination</a>	40%	No	See central exam timetable when available.

## Workshop Participation

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 10 hours

Due: **Weekly in tutorial workshops**

Weighting: **20%**

Weekly workshop participation is expected throughout the session. Students are expected to attend all workshops and participate in activities. Student performance in these activities will be assessed.

On successful completion you will be able to:

- Explain how the financial system supports and influences business decisions.
- Apply time value of money techniques to value financial instruments.
- Explain the relationship between risk and return and calculate the cost of capital for a business.
- Use critical thinking and problem solving to make investment and financing decisions for a business

## Quizzes

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 10 hours

Due: **First quiz Friday 22 March. Second quiz Friday 19 April.**

Weighting: **20%**

There are two online quizzes during the session, each worth 10%.

On successful completion you will be able to:

- Explain how the financial system supports and influences business decisions.
- Apply time value of money techniques to value financial instruments.
- Explain the relationship between risk and return and calculate the cost of capital for a business.
- Use critical thinking and problem solving to make investment and financing decisions for a business

## Assignment

Assessment Type <sup>1</sup>: Case study/analysis

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Monday 13 May at 11:59am midday Sydney time**

Weighting: **20%**

The assignment will cover quantitative and qualitative analysis of a financial scenario or problem.

On successful completion you will be able to:

- Explain how the financial system supports and influences business decisions.
- Apply time value of money techniques to value financial instruments.
- Explain the relationship between risk and return and calculate the cost of capital for a business.
- Use critical thinking and problem solving to make investment and financing decisions for a business

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **See central exam timetable when available.**

Weighting: **40%**

The final examination will be two-hours plus ten-minutes reading time to be held during the University Examination period.

On successful completion you will be able to:

- Explain how the financial system supports and influences business decisions.
- Apply time value of money techniques to value financial instruments.
- Explain the relationship between risk and return and calculate the cost of capital for a business.
- Use critical thinking and problem solving to make investment and financing decisions for a business

<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### Learning and Teaching Activities

We look forward to seeing you in the weekly lecture (1.5 hours) and tutorials (1.5 hours)!

Tutorials start from week 2, lectures start from week 1

### Lectures

We'll discuss some fascinating finance topics including stock investment, valuation and business projects! Each lecture we'll cover some theory and mathematical formulas, with practical examples of how both are applied in the real world and in the exams and assignments that you'll complete.

### Tutorials

Tutorials are widely regarded as the best learning experience, with small classes led by expert and enthusiastic teachers. Students should register for a tutorial. Tutorial participation will be marked and assessed. Details will be available on iLearn.

Tutorial enrolment or change of tutorial can be made through *eStudent* in the first two weeks of the session. Students should attend their allocated tutorial, but exceptions may occur on a one-off basis. That is, where circumstances prevent you attending your own tutorial in a given week, you may attend an alternative tutorial if room is available. Please do **NOT** email the unit convenor or any member of the teaching team regarding changing of registered tutorials. We are unable to do this for you.

Additional learning support will be available during tutor consultation times!

## Prescribed Text

Parino, R. et al. 2020, *Fundamentals of Corporate Finance*, 4th edition, John Wiley & Sons Ltd, Milton. e-Text ISBN: 9780730382492.

<https://www.wileydirect.com.au/buy/fundamentals-of-corporate-finance/>

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/7h5qs5/alma9924473930780217](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/7h5qs5/alma9924473930780217)

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*Similar optional books:*

Fundamentals of Corporate Finance, 3rd edition. Jonathan Berk, Peter DeMarzo, Jarrad Harford, Guy Ford & Vito Mollica. Pearson Education Limited. ISBN: 9781488611001

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/46713g/cdi\\_proquest\\_ebookcentral\\_EBC5637846](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/46713g/cdi_proquest_ebookcentral_EBC5637846)

Fundamentals of Corporate Finance, 3rd Global Edition. Jonathan Berk, Peter DeMarzo, Jarrad Harford. Pearson Education Limited 2014. ISBN: 9781292068169

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/1c87tk9/alma99244660728502171](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/1c87tk9/alma99244660728502171)

## Technology Used and Required

### Calculator

A calculator will be required for the various calculations throughout the session, and for the Final Examination.

Scientific calculators need the following minimum functionality:  $x^y$  or  $^x$  functions. Non-programmable financial calculators are permitted too, but unnecessary.

### Software

Students should have access to *Excel* software (version 2013 or more recent),

See <https://students.mq.edu.au/support/technology/service-desk/office-365> for instructions on how to get your free copy of Microsoft Office!

### Knowledge of Maths

A background of HSC General Mathematics or equivalent numerical competency is assumed.

Students requiring assistance with the unit's mathematical elements throughout the term may consult with the *Numeracy Centre* team during appointed hours (no appointment needed). <https://students.mq.edu.au/support/study/numeracy>

## Unit Schedule

Week	Week date (Tuesday)	Lecture topic	Lectures scheduled	Tutorial workshop scheduled
1	20-Feb	The financial system and markets.	Yes	No
2	27-Feb	Returns and interest rates.	Yes	Yes
3	5-Mar	Time value of money.	Yes	Yes
4	12-Mar	Perpetuities and annuities. 10% online quiz, opens Friday 15 March, closes Friday 22 March.	Yes	Yes
5	19-Mar	Capital budgeting principles: net present value (NPV), internal rate of return (IRR) and payback period.	Yes	Yes
6	26-Mar	Capital budgeting special cases: projects of different lives, profitability index.	Yes	Yes

7	2-Apr	Bonds.	Yes	Yes
8	9-Apr	Shares introduction. 10% online quiz, opens Friday 12 April, closes Friday 19 April.	Yes	Yes
Mid-session break from Monday 15 April to Sunday 28 April.			No	No
9	30-Apr	Share pricing, investment and limit order books. <b>Tutorial simulation participation activity</b> (2.5 of 20% participation total).	Yes	Yes
10	7-May	Market efficiency and the capital asset pricing model (CAPM). <b>20% Individual assignment due Monday 13 May at 11:59am midday Sydney time.</b>	Yes	Yes
11	14-May	Raising capital.	Yes	Yes
12	21-May	Special topics.	Yes	Yes
13	28-May	Final exam revision.	Yes	Yes

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Assessment Procedure](#)
- [Complaints Resolution Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#)

Students seeking more policy resources can visit [Student Policies \(https://students.mq.edu.au/support/study/policies\)](https://students.mq.edu.au/support/study/policies). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/admin/other-resources/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the



University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

### The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## Student Services and Support

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)
- [Student Advocacy](#) provides independent advice on MQ policies, procedures, and processes

## Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

## Changes from Previous Offering

Macquarie Business School Bachelor degrees have undergone an extensive internal and external review during 2022 and 2023. For 2024, we have refreshed this unit in line with the recommendations of the review panels which included senior academics from other universities, Macquarie University alumni, and industry experts.

## Changes since First Published

Date	Description
18/02/2024	.
12/02/2024	Updated unit schedule.
07/02/2024	Tutorial simulation participation activity included in the weekly schedule.
29/01/2024	Updated general assessment information

Unit information based on version 2024.04 of the [Handbook](#)