



# AFIN832

## Business and Financial Analysis

S1 Day 2014

*Applied Finance and Actuarial Studies*

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## General Information

Unit convenor and teaching staff

Unit Convenor

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Mondays 2pm-3pm

Other Staff

Sue Wright

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Credit points

4

Prerequisites

ACCG611 or ACST603 or AFIN858 or admission to MActPrac or MCom or MEc or MIntBus prior to 2011

Corequisites

Co-badged status

Unit description

This unit teaches students how to analyse and value a business. Students are taught the steps in business analysis: examining the state of the economy, the industry and the business on a descriptive level, analysing the business's accounting policies, evaluating its financial position using accounting ratios and other analytical tools, forecasting the business's financial statements, and finally using a variety of techniques to value the business on the basis of the preceding steps so that an investment decision can be made.

## 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:

Recognise the flow of financial accounting and other information from the organisation's

management and other sources to the equity market.

Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate

Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation

Forecast any organisation's future financial position

Analyse any organisation's fundamental value, using publicly available information

## Assessment Tasks

Name	Weighting	Due
<u>Assignment</u>	10%	28th of March 2014
<u>Presentation</u>	15%	7th of April 2014
<u>Case Studies</u>	30%	2nd of May, 6th of June
<u>Final Examination</u>	45%	TBA

### Assignment

Due: **28th of March 2014**

Weighting: **10%**

The individual Assignment is about building a MS Excel model and a report (two pages) for Body Shop International. This assignment is an introduction to financial modelling and further Case Studies in this unit.

Submission Method: Email your report of no more than 2 single-spaced A4 pages and your Excel file to my email address: [vahid.kolahdouzan@mq.edu.au](mailto:vahid.kolahdouzan@mq.edu.au)

Electronic submission must include a single Microsoft Word or a PDF file of your report and your Excel file.

The details will be discussed during the lecture.

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position

## Presentation

Due: **7th of April 2014**

Weighting: **15%**

In syndicates of 4 students, evaluate and present during the lecture on the most recent annual report of an Australian Securities Exchange-listed company. The strategic and accounting analysis is required for this presentation.

Your syndicate presentations should not be longer than 12 minutes each and all the syndicate members are required to present. You are allowed to use Microsoft Office PowerPoint or any other relevant application for your presentations.

Students will be assessed individually based on their presentation skills, content materials and their contribution to the syndicate. Students' contribution will be assessed by their peers. Otherwise, you will be awarded a mark of 0.

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Recognise the flow of financial accounting and other information from the organisation's management and other sources to the equity market.
- Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate

## Case Studies

Due: **2nd of May, 6th of June**

Weighting: **30%**

There are two case studies, which you are required to build MS Excel models and reports.

You are recommended to submit the case studies in a group of 2, 3 or 4 students. However, you can submit individually as well.

If submitted as a group, individual contribution should be identified. Students' contribution will be assessed by their peers. Otherwise, you will be awarded a mark of 0.

Submission Method: Email your report of no more than 3 single-spaced A4 pages and your Excel file to my email address: [vahid.kolahdouzan@mq.edu.au](mailto:vahid.kolahdouzan@mq.edu.au)

Electronic submission must include a single Microsoft Word or a PDF file of your report and your Excel file.

The details will be discussed during the lecture.

No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position
- Analyse any organisation's fundamental value, using publicly available information

## Final Examination

Due: **TBA**

Weighting: **45%**

A 3 hours final examination for this unit will be held during the University Examination period. The University Examination period is in First Half Year 2014. To be eligible for a passing grade in this unit a pass is required in the final examination.

On successful completion you will be able to:

- Recognise the flow of financial accounting and other information from the organisation's management and other sources to the equity market.
- Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate
- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position
- Analyse any organisation's fundamental value, using publicly available information

## Delivery and Resources

### CLASSES

- The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

## REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

- Palepu, Healy, Bernard, Wright, Bradbury and Lee, Business Analysis and Valuation, 1<sup>st</sup> Asia-Pacific edition, Cengage Learning, 2010.
- The prescribed textbook can be purchased from the Macquarie University Co-op Bookshop. Copies are also available in the Macquarie University Library.

## TECHNOLOGY USED AND REQUIRED

- Students required computer technology and competence sufficient to regularly access the AFIN832 iLearn webpage via the Internet, and to use a word processing and a Spread Sheet program (such as Word and Excel) for assignments. Students required bringing their laptops to classes as instructed by the teaching staff.
- The unit webpage will contain copies of lecture guides, announcements and changes made during the semester. Students are expected to visit the unit webpage on a regular basis.

### Changes since the last offering of the unit :

Nil

## Unit Schedule

Week 1- Introduction to Strategic Analysis- Chapters 1 & 2

Week 2- Overview of Accounting Analysis- Chapter 3

Week 3- Implementing Accounting Analysis- Chapter 4

Week 4- Financial Analysis, Review of Cost of Capital- Chapters 5 & 8

Week 5- Cash Flow Analysis- Chapter 5

Week 6- Presentations

Week 7- Forecasting- Chapter 6

Week 8- Valuation Theory and Concepts- Chapter 7

Week 9- Valuation Implementation Part I- Chapter 8

Week 10- Valuation Implementation Part II- Chapter 8

Week 11- Valuation Ratios- Chapter 7

Week 12- Mergers and Acquisitions- Chapter 11

Week 13- Revision

## Policies and Procedures

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

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## Student Support

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

### Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

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

### Supplementary Exams

Further information regarding supplementary exams, including dates, is available here [http://www.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/special\\_consideration](http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration)

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

### Learning outcomes

- Recognise the flow of financial accounting and other information from the organisation's



management and other sources to the equity market.

- Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate
- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position
- Analyse any organisation's fundamental value, using publicly available information

## **Assessment tasks**

- Assignment
- Presentation
- Case Studies
- Final Examination

## **PG - Critical, Analytical and Integrative Thinking**

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

## **Learning outcomes**

- Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate
- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position
- Analyse any organisation's fundamental value, using publicly available information

## **Assessment tasks**

- Assignment
- Presentation
- Case Studies
- Final Examination

## **PG - Capable of Professional and Personal Judgment and Initiative**

Our postgraduates will demonstrate a high standard of discernment and common sense in their

professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

## **Learning outcomes**

- Evaluate the accounting policies and practices used by an organisation, and to reconstruct the financial reports as appropriate
- Evaluate the theories underlying various aspects of financial statement analysis, in particular various methods of valuation
- Forecast any organisation's future financial position
- Analyse any organisation's fundamental value, using publicly available information

## **Assessment tasks**

- Assignment
- Presentation
- Case Studies

## **Research and Practice**

This unit gives you practice in applying research findings in your assignments.