



ACST252

Finance and Financial Reporting

S2 Day 2015

Dept of Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff

Lecturer and Convenor

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Lecturer

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na

Credit points

3

Prerequisites

Admission to BActStud and 24cp

Corequisites

Co-badged status

Unit description

This unit equips students to understand corporate financial reporting and corporate finance decision-making. It provides a basic understanding of financial reporting and how to interpret financial statements, and integrates this with corporate financial decisions such as raising finance, determining capital structure including liquidity, paying dividends, and assessing capital investments, in the context of the Australian financial sector. Students will also understand and apply basic theoretical concepts in finance. Students gaining a grade of credit or higher in this unit may apply for exemption from subject CT2 of the professional exams of the Institute of Actuaries of Australia.

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:

Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation

Understand the characteristics of the principal forms of financial instruments issued or used by companies

Demonstrate understanding of the meaning of a company's cost of capital and the methods used to calculate it

Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy

General Assessment Information

Extensions

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

Scaling

A Standardised Numerical Grade (SNG) gives you an indication of how you have performed within the band for your descriptive grade. The SNG is not a mark, and you may not be able to work it out based on your raw examination and other assessment marks. Nor are you able to determine you are “one mark away” from a different grade.

Gradebook

It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment marks (not including the final exam mark) will not be addressed.

Assessment Tasks

Name	Weighting	Due
<u>Class Test</u>	10%	Week 6 1/9/15
<u>Major assignment</u>	20%	Week 10 13/10/15
<u>Final Examination</u>	70%	Examination Period

Class Test

Due: **Week 6 1/9/15**

Weighting: **10%**

A class test focusing on the material taught in Weeks 2 to 4 will be held in the first hour of the

lecture in Week 6. The test will be of 50 minutes duration and will commence promptly at 2.05pm.

This Assessment Task relates to the following Learning Outcome:

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation

On successful completion you will be able to:

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation

Major assignment

Due: **Week 10 13/10/15**

Weighting: **20%**

Due: 13/10/15

You will be assigned to a group to work on your Group Assignment. This task must be submitted electronically via iLearn.

You will use iLearn's peer assessment tool to mark the work of your classmate/s (due 20/10/15).

This Assessment Task relates to the following Learning Outcomes:

- Interpret the accounts of a company or group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies

On successful completion you will be able to:

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies

Final Examination

Due: **Examination Period**

Weighting: **70%**

A three hour final examination for this unit will be held during the University Examination period.

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned at the end of the final examination.

This Assessment Task relates to the following Learning Outcomes:

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies
- Demonstrate understanding of the meaning of a company's cost of capital and the methods used to calculate it
- Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy

On successful completion you will be able to:

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies
- Demonstrate understanding of the meaning of a company's cost of capital and the methods used to calculate it
- Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy

Delivery and Resources

Required and Recommended Texts and/or Materials

Text

Principles of Managerial Finance, 6th edition. Gitman, Juchau and Flanagan, Pearson Australia, 2011.

Technology Used and Required

Calculators

You may use a calculator in the class test and in the final examination provided it is portable, silent and battery operated, but you must show clearly the steps involved in every calculation. You may NOT use any calculators that have a text-retrieval capacity, whether or not they have a full alphabet on the keyboard. Calculators may be checked at the commencement of the class test and final exam, and the make/model may be recorded.

Word processing

Students need to have access to word processing software (like Word) to complete the Group Assignment. You will need electronically submit your Assignment (using iLearn) as a PDF file. Check your word processing software can generate a PDF file.

Spreadsheet program

Many of the problems you will encounter in this unit can be solved easily with the spreadsheet program, Excel. You can use this spreadsheet program to verify your solutions to many of the problems you are solving.

Unit Schedule

1	Overview of financial management
2	Introduction to accounting
3	Introduction to accounting
4	Financial statement analysis
5	Capital Asset Pricing Model
6	Class test / Ethics
7	Interest rates and bond valuation
	Semester break
8	Share Valuation
9	Capital Project Analysis: Methods (On line)
10	Capital Project Analysis: Issues and Applications
11	Capital Structure and Cost of Capital
12	Leverage and Dividend Policy
13	Derivatives / 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

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

Disruption to Studies Policy 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/

Results

Results shown in *iLearn*, 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.

Supplementary Exams

Further information regarding supplementary exams, including dates, is available here

http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

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) 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

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.

Graduate Capabilities

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies
- Demonstrate understanding of the meaning of a company's cost of capital and the methods used to calculate it
- Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy

Assessment tasks

- Class Test
- Major assignment
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Interpret the accounts of a company or a group of companies and discuss the limitations

of such an interpretation

- Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy

Assessment tasks

- Class Test
- Major assignment
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation
- Understand the characteristics of the principal forms of financial instruments issued or used by companies
- Demonstrate understanding of the meaning of a company's cost of capital and the methods used to calculate it

Assessment tasks

- Class Test
- Major assignment
- Final Examination

Changes from Previous Offering

This is a new unit.

Changes since First Published

Date	Description
15/07/2015	Change to lecturing staff details