



AFCP862

Managing Shareholder Value

AFC Term 3 MB 2015

Dept of Applied Finance and Actuarial Studies

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Disclaimer

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General Information

Unit convenor and teaching staff

Unit Convenor / Lecturer

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Contact via Email

Credit points

2

Prerequisites

(Admission to MAppFin or PGCertAppFin or GradDipAppFin) and ECFS866

Corequisites

Co-badged status

Unit description

Using a corporate portfolio review framework, this unit analyses the relationship between resource allocation decisions and shareholder value. It focuses on the following key areas: performance measurement of business units, capital investment and corporate portfolio and restructuring strategies. The unit explores how analytical techniques and key transactions (acquisition, divestments and spin offs) can be used to implement key corporate strategies. It will also include an analysis of the costs and benefits of diversification strategies. Internal decision making processes, including capital expenditure evaluation and the setting of performance targets and investment criteria, will be examined using a number of perspectives including value based management, behavioural finance, agency models, and remuneration design. This unit will suit students involved in developing corporate and business development strategies, investment and corporate bankers who might advise CFO's on growth and portfolio restructuring strategies, and equity analysts.

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:

Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.

Apply appropriate analytical techniques to evaluate historical and prospective value

creation performance of companies and business segments.

Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.

Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.

Critically evaluate capital expenditure decisions against a best practice model.

Critically evaluate alternative mechanisms for exiting selected business segments.

General Assessment Information

To pass this unit (requires a Standardised Numerical Grade of 50 or better) the student must pass the final examination.

Assessment Tasks

Name	Weighting	Due
<u>Pre-Unit Assignment</u>	10%	First Class
<u>Assignment</u>	35%	Refer to iLearn
<u>Final Exam</u>	55%	Refer to Timetable

Pre-Unit Assignment

Due: **First Class**

Weighting: **10%**

Summary of Assessment Task

Individual / Group: Individual

Due Date: First Class

Grading Method: Refer to 'Standards Required to Complete the Unit Satisfactorily' section

Submission Method: At or before the first class. Please bring a copy to class for class use as well.

Duration: Refer to Assignment Coversheet

Extension Requests:

- No extensions are permitted.
- Late submission will result in zero marks.

On successful completion you will be able to:

- Apply appropriate analytical techniques to evaluate historical and prospective value

creation performance of companies and business segments.

Assignment

Due: **Refer to iLearn**

Weighting: **35%**

Summary of Assessment Task

Individual / Group: Individual

Due Date: Refer to the Unit's iLearn site

Grading Method: Refer to 'Standards Required to Complete the Unit Satisfactorily' section

Submission Method: Online via Turnitin on iLearn site

Duration: Refer to Assignment Coversheet

Extension Requests:

- If you have extenuating circumstances that prevent you from submitting your assignment by the due date, please make arrangements with your lecturer prior to the due date.
- Unless prior arrangements have been made, any late submission of assignments will automatically be penalised. In the absence of special circumstances, the penalty will be 10% of the available marks for the assessment for each business day (or part thereof) they are late.

Other Information:

- The assignment is included in the Unit notes.
- It will give Students the opportunity to apply the techniques used in the unit. It is *expected* there will be a choice of applications, to cater for individual student interests.
- The requirements of the assignment will be further reviewed in class.

On successful completion you will be able to:

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.
- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Final Exam

Due: **Refer to Timetable**

Weighting: **55%**

Summary of Assessment Task

Individual / Group: Individual

Due Date: Refer to Timetable.

Assessments: Different Class Groups have different deadlines. Students should find the timetable and dates relevant to their group at www.mafc.mq.edu.au

Grading Method: Refer to 'Standards Required to Complete the Unit Satisfactorily' section

Submission Method: As per MAFC Program Rules & Procedures at www.mafc.mq.edu.au

Duration: 2 hours plus 10 minutes reading time

Examination Conditions:

- All examinations are closed book. However, permitted materials and aids are:
 - A study sheet, prepared by the Student (one double-sided A4 page), to be advised by the Lecturer prior to the Exam.
 - Calculators. Permitted calculators are noted under 'Calculators' below.
- Exam times and locations are noted in the unit timetable at www.mafc.mq.edu.au.
- Refer to MAFC Program Rules & Procedures at www.mafc.mq.edu.au.

Extension Requests:

- You are expected to present yourself for examination at the time and place designated in the relevant MAFC Timetable at www.mafc.mq.edu.au.
- Refer to MAFC Program Rules & Procedures at www.mafc.mq.edu.au for information on the University's Disruption to Studies Policy or non-attendance at an examination.

On successful completion you will be able to:

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.

- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Delivery and Resources

CLASSES

Face-to-Face Teaching: Generally 18 hours

Timetable: Detailed timetable for classes are on the Centre's web site www.mafc.mq.edu.au

Consultation Times:

Students who wish to contact any of the teaching staff may do so through:

- The Unit's iLearn site, in relation to general queries (so that all students may benefit); or
- Individual consultation with the lecturer by email in the first instance, if necessary.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Text: Nil

Course Resources:

- The unit notes and iLearn contain all the requisite material for the classes, assignments and final examination. The value of the unit will be maximised if you are able to review unit notes and readings prior to classes. Please critically assess the material in these readings, in particular the case studies.
- iLearn contains spreadsheet solutions for the problems in the notes, and additional discussion on a number of items. Students should download the spreadsheets prior to class, and you should bring printouts or a laptop to help you follow them in class.
- Students should assume any additional readings are examinable unless otherwise advised.

Lecture Notes: Available in printed form and electronically via iLearn.

Case Studies:

- There are a number of case studies in the notes (Trees and Portes). Please read these cases before classes, as they will be discussed in class.
- ***Students are not required to solve the cases – this will be done in class.***

Pre-Unit Materials:

- Your time in class will benefit from having read the course material prior to class;
- The pre-unit assignment draws on your Corporate Finance material, so should be

regarded as an opportunity for quick revision of Corporate Finance notes on financial strategy.

Useful References:

- There are a number of relevant books available. Any of these are good to have on the bookshelf anyway.
 - Tim Koller, Marc Goedhardt and David Wessells, *Valuation: Measuring and Managing the Value of Companies*, 5th Edition, Wiley Finance, 2010 (*pls note, new edition due out mid August*); or
 - Tim Koller, Richard Dobbs and Bill Huyett, *Value: The Four Cornerstones of Corporate Finance*, 2010;
 - G. Bennett Stewart, *The Quest for Value: A Guide for Senior Managers*, 1999

Calculators:

- A financial calculator that can handle time value of money calculations is required.
- In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

Assumed Access:

- Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy.
- Access to a laptop, taken to class, is desirable.

TECHNOLOGY USED AND REQUIRED

Unit iLearn Site:

- Found by logging on to iLearn ilearn.mq.edu.au, then clicking on **Managing Shareholder Value**.
- This is where you will find links to forums, downloadable resources and other important pages.
- iLearn forums allow you to communicate with other students and lecturer(s) and may provide supplementary material.
- Please post questions to forums at least 24 hours prior to an assignment submission date or an examination date. Questions posted after that time may not be answered.
Please try to not leave your questions to the last few days.

Important Notice:

- It is important that you familiarize yourself with the Unit's iLearn site.

- Students should check the Unit's iLearn site regularly (minimum twice a week and prior to all lectures) and look for updates and distribution of materials (including case studies) related to the unit or assessments and, if relevant, participate in forum discussions.

Unit Schedule

1. PORTFOLIO REVIEW PROCESS

We consider challenges in managing a portfolio of businesses, using the management of Stay in Business capital expenditure as an example. We then examine the motivations, potential benefits and downsides in undertaking a portfolio / performance review, and identify a structured process for driving a portfolio / performance review.

Key learning outcomes for this topic:

- Identify and justify situations where portfolio / performance review is appropriate;
- Identify and critically evaluate issues in managing a business portfolio, including the management of Stay in Business Capital Expenditure;
- Describe and manage a process for undertaking a portfolio review.

Readings

- Ulrich Pidun, Harald Rubner, Matthias Kruhler and Robert Untiedt, **“Corporate Portfolio Management: Theory and Practice”**, Journal of Applied Corporate Finance, Volume 23. No 1, Winter, 2011, pp 63 - 76
- Chapter 19: **“Corporate Portfolio Strategy”** in Tim Koller, Marc Goedhardt and David Wessells, *Valuation: Measuring and Managing the Value of Companies*, 5th Ed, Wiley, 2010, pp 401 - 414

2. REVIEW OF STRATEGIC FRAMEWORKS

Undertaking a portfolio review involves the joint application of strategy skills with those of corporate finance. In this topic we present the key strategic frameworks used in practice, with a focus on exploring the link between real world strategy and financial performance.

Key learning outcomes for this topic:

- Understand the key components and dimensions of corporate strategy;
- Critically evaluate the costs and benefits of diversification;
- Describe, apply and communicate the concept of a growth pipeline to evaluate a company's portfolio of growth options;
- Critically evaluate relative merits of organic growth v growth by acquisition;
- Use strategic concepts to assess the value creation track record and potential of a business.

Readings

- Chapter 1: **“The Concept of Strategy”** in Robert M Grant, *Contemporary Strategy Analysis*, 8th ed, Blackwell, 2013, pp 3 – 29
- Chapter 1: **“The three horizons”** in M. Baghai, Stephen Coley and David White, *The Alchemy of Growth*, Orion, 1999, pp 3 – 18
- Chapter 2: **“Looking in the Mirror”** in M. Baghai, Stephen Coley and David White, *The Alchemy of Growth*, Orion, 1999, pp 19 – 31
- Michael Porter, **“What is Strategy”**, Harvard Business Review, November – December, 1996

3. VALUE CREATION AUDIT

This topic will also demonstrate how to use skills from ECFS866 Corporate Finance to undertake a value creation audit and identify problem areas in a portfolio. We initially examine the first step in the review process: identifying any perceptions gap. We then describe how to assess historical value creation track record, and assess value creation potential for companies and businesses.

Key learning outcomes for this topic:

- Apply valuation skills to compare internal value with market value, and analyse any perceptions gap;
- Understand, apply and communicate the use of Residual Income as a valuation method, performance measure and analysis tool;
- Analyse the value creation track record of companies and business segments;
- Analyse the value creation potential of companies and business segments.

Readings

- Boston Consulting Group, **“The 2014 Australian Value Creators Report: The Challenge of Growth”**, October 2014
- Bennett Stewart, **“What Determines TSR”**, Journal of Applied Corporate Finance, Volume 26, Number 1, Winter, 2014, pp 47 - 55

4. MANAGING FOR VALUE

This topic describes the concept of Value Based Management and how it provides guidance for target setting, performance measurement of business segments and incentive design. Using financial modelling and the concept of Residual Income/Economic Value Added we describe how to identify the key sources of value creation in a business.

Key learning outcomes for this topic:

- Understand and communicate the key principles and implications of Value Based Management;

- Identify business unit value drivers;
- Use valuation principles to set performance targets and effectively communicate the results.

Readings

- Marc Zenner, Tomer Berkowitz and John H.S. Clark, **“Creating Value Through Best in Class Capital Allocation”**, Journal of Applied Corporate Finance, Volume 21, Number 4, Fall, 2009, pp 89 - 96
- Chapter 20: **“Performance Management”** in Tim Koller, Marc Goedhardt and David Wessells, *Valuation: Measuring and Managing the Value of Companies*, 5th Ed, Wiley, 2010, pp 415 - 430
- Chapter 1: **“Corporate Finance and Strategic Planning: A Linkage”** in Han T.J. Smit and Lenos Trigeorgis, *Strategic Investment: Real Options and Games*, Princeton, 2004, pp 3 - 34

5. CAPITAL ALLOCATION STRATEGIES & PROCESSES

Capital expenditure processes exist in all companies, with various degrees of formality and effectiveness. This topic reviews the many challenges to effective capital investment decisions, and addresses how best to make these decisions consistent with shareholder value maximization.

Case Studies: Diamond Chemicals & Eurolands case study.

Key learning outcomes for this topic:

- Identify and communicate Issues and challenges in managing and allocating capital expenditure;
- Communicate and justify the key elements of an effective project evaluation process;
- Understand the importance of generating alternatives as a key requirement for good decision making;
- Understand the difference between hurdle rates and cost of capital, and be able to provide advice on appropriate hurdle rate levels.

Readings

- John A. Boquist, Todd T. Milbourn and Anjan V. Thakor, **“How Do You Win the Capital Allocation Game?”**, Sloan Management Review, Winter, 1998, pp 59 - 71
- Paul Sharpe and Tom Keelin, **“How Smith Kline Beecham Makes Better Resource Allocation Decisions”**, Harvard Business Review, March – April, 1998, pp 45 – 57

6. STRATEGIES FOR RESTRUCTURING / EXITING BUSINESSES

Portfolio reviews often result in the decision to exit certain businesses. The decision to exit could be driven purely by performance / strategic related issues, or could relate to overall funding requirements of the organisation. This topic examines the motives for exiting businesses, considers which elements of the portfolio should be considered for exit, as well as the range of exit and restructuring mechanisms available, ranging from closure to divestment and various forms of equity market exits.

Case Study: Project Titan at Northrop Grumman

Key learning outcomes for this topic:

- Identify and evaluate alternative motivations for restructuring / exiting businesses;
- Evaluate the portfolio fit of individual businesses;
- Identify and critically evaluate alternative exit mechanisms;
- Complete the valuation of businesses for sale and provide advice on appropriate target sale prices;
- Understand the communications and governance issues involved in portfolio restructuring activities.

Readings

- Chapter 11: “**Corporate Restructuring**” in Patrick A. Gaughan, *Mergers, Acquisitions and Corporate Restructurings*, 6th Ed, Wiley, 2015, pp 391 – 430
- Grant Samuel & Associates, Independent Expert’s Report, **Souh32 Demerger from BHP Billiton**, March 2015, pp 19 – 36

7. CONCLUSION

This topic briefly examines the role of financial strategies in restructuring strategies, and develops lessons on good practice. The unit concludes with a brief re-examination of the portfolio review process describe in Topic 1.

Key learning outcomes for this topic:

- Understand and evaluate the role of financial strategies in a restructuring program;
- Able to apply and communicate lessons from successful value creating companies, and successful acquirers and divestors;
- Critically evaluate the portfolio / performance review process describe in Topic 1.

Readings

- Chapter 38, “**M&A Best Practices: Some Lessons and Next Steps**” in Robert F. Bruner, *Applied Mergers & Acquisitions*, Wiley Finance, 2004, pp 926 - 937

Learning and Teaching Activities

Strategy

The Master of Applied Finance degree adopts a deep teaching and learning strategy, in which Students acquire and retain knowledge and also are able to make sense of the issues and concepts and apply them in the “real world”. The degree relies heavily on student engagement and participation by: (a) Continuous learning throughout the semester. This is encouraged through a combination of students undertaking prescribed reading throughout the units and / or completion of practice problems, case studies, assignments, class presentations etc and interaction via forums in the unit’s iLearn site; and (b) Assessments, which enable the student to demonstrate his / her understanding of the learning objectives achieved through the continuous learning.

Student Participation

Students participate in this unit by: (a) Attending lectures and participating in class discussion; (b) Before each class, completing the recommended readings of notes and text, and working systematically through suggested problem sets; (c) Interacting on the unit’s iLearn site; and (d) Completing all assessment tasks and exams. On average the unit will require students to complete, for every hour of class time, approximately 3 hours private study.

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](#).

Students should also consult the MAFC Program Rules & Procedures found at <http://www.mafc.mq.edu.au>

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 enquiry service (MAFC-specific)

For all student enquires, please contact studentsupport@mafc.mq.edu.au

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.

Learning Skills

Learning Skills (http://www.students.mq.edu.au/support/learning_skills/) 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 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

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

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.
- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Assessment tasks

- Pre-Unit Assignment
- Assignment
- Final Exam

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

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.
- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Assessment tasks

- Pre-Unit Assignment
- Assignment
- Final Exam

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.
- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Assessment tasks

- Pre-Unit Assignment
- Assignment
- Final Exam

PG - Engaged and Responsible, Active and Ethical Citizens

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

Learning outcomes

- Understand and communicate the rationale for a corporate portfolio review, and how best to undertake and implement one.
- Apply appropriate analytical techniques to evaluate historical and prospective value creation performance of companies and business segments.
- Understand the key principles of Value Based Management and clearly articulate the impact it has on selection of performance measures and target setting.
- Able to combine strategic analysis tools and valuation skills to assess value creation potential of businesses.
- Critically evaluate capital expenditure decisions against a best practice model.
- Critically evaluate alternative mechanisms for exiting selected business segments.

Assessment tasks

- Pre-Unit Assignment
- Assignment
- Final Exam

Important Notice

This Unit Guide may be subject to change. The latest version is on the Centre's web site www.mafc.mq.edu.au.

Students should read the Unit Guide carefully at the start of semester. It contains important information about the unit. If anything is unclear, please consult one of the unit lecturers.

Standards Required to Complete the Unit

Satisfactorily

University Policy on Grading:

- Macquarie University's Academic Senate has established a Grading Policy available at <http://www.mq.edu.au/policy/docs/grading/policy.html>. Your final result will include:
 - A grade ranging from Fail to High Distinction; and
 - A Standardised Numerical Grade (SNG). A SNG is not a summation of the individual assessment components, but is allocated on the basis of the performance in all assessment items, providing the examination component is passed.
- It is important to note:
 - The Policy does not require that a minimum or maximum number of students are to be failed in any unit;
 - Grades will not be allocated to fit a predetermined distribution; and
 - The process of allocating SNGs does not change the rank order of marks among students who pass the unit.

Specific Unit Grading:

- To pass this unit (ie requires a Standardised Numerical Grade of 50 or better), the student must pass the combined examinations component of the assessment.
- All final grades in the Applied Finance Centre are determined by a grading committee and are not the sole responsibility of the unit convenor.
- The core criteria used to assess student work in this unit are:
 - Knowledge and understanding: Understanding key ideas, knowledge and use of concepts.
 - Application: Ability to apply theoretical ideas and frameworks in practice and in a critically reflective way.
 - Reasoning and analysis: Ability to analyse, use critical reasoning and principles to formulate a position, balancing theory and personal reflection.
 - Professional literacy and research: Understanding of professional factors (language and landscape) and ability to undertake appropriate research.
 - Communication and presentation: Ability to communicate and present effectively (written and oral, as relevant).
 - Use of mathematical and statistical ideas: Ability to use mathematical and statistical ideas, methods and formulae appropriately.
- Performance in relation to each of these criteria are assessed against the University's

grading descriptors:

Grade	Expectation
High Distinction	Provides consistent evidence of deep and critical understanding in relation to the learning outcomes. There is substantial originality and insight in identifying, generating and communicating competing arguments, perspectives or problem solving approaches; critical evaluation of problems, their solutions and their implications; creativity in application as appropriate to the discipline.
Distinction	Provides evidence of integration and evaluation of critical ideas, principles and theories, distinctive insight and ability in applying relevant skills and concepts in relation to learning outcomes. There is demonstration of frequent originality in defining and analysing issues or problems and providing solutions; and the use of means of communication appropriate to the discipline and the audience.
Credit	Provides evidence of learning that goes beyond replication of content knowledge or skills relevant to the learning outcomes. There is demonstration of substantial understanding of fundamental concepts in the field of study and the ability to apply these concepts in a variety of contexts; convincing argumentation with appropriate coherent justification; communication of ideas fluently and clearly in terms of the conventions of the discipline.
Pass	Provides sufficient evidence of the achievement of learning outcomes. There is demonstration of understanding and application of fundamental concepts of the field of study; routine argumentation with acceptable justification; communication of information and ideas adequately in terms of the conventions of the discipline. The learning attainment is considered satisfactory or adequate or competent or capable in relation to the specified outcomes.
Fail	Does not provide evidence of attainment of learning outcomes. There is missing or partial or superficial or faulty understanding and application of the fundamental concepts in the field of study; missing, undeveloped, inappropriate or confusing argumentation; incomplete, confusing or lacking communication of ideas in ways that give little attention to the conventions of the discipline.

Review of Grade and final examination Script viewing:

- A student who has been awarded a final grade for a unit and who does not believe it is an accurate reflection of their performance, and has grounds for such a claim and can demonstrate those grounds, may apply to have their grade reviewed.
- For information on requesting a review of grade and/or viewing your final exam script, please refer to the University’s Grade Appeal Policy at <http://www.mq.edu.au/policy/docs/gradeappeal/policy.html> and MAFC Program Rules & Procedures at <http://www.mafc.mq.edu.au>.

Changes since First Published

Date	Description
17/07/2015	Unit Schedule updated