



# ACST101

## Techniques and Elements of Finance

S1 Day 2015

*Dept of Applied Finance and Actuarial Studies*

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#### Disclaimer

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## General Information

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Lecturer

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Please refer to iLearn for details

Credit points

3

Prerequisites

Corequisites

Co-badged status

Unit description

This unit provides an introduction to the pricing of financial instruments and the functions of the Australian financial system. Students apply mathematical concepts in valuing a range of financial assets including loans, bonds, shares and investments. They also increase their financial literacy by learning about financial institutions, financial markets, risks and regulation. Spreadsheet skills are introduced throughout the unit. A background of HSC Mathematics or equivalent numerical competency is assumed. Students who have not studied the necessary mathematics are advised to complete Mathematics 123 (MATH123) before enrolling in ACST101. The concepts developed in this unit are required in subsequent actuarial studies and finance units. The unit also provides a practical introduction to finance for students not planning to continue with study in the area.

## 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:

- Identify and explain fundamental concepts of finance
- Apply fundamental concepts of finance to current affairs and real life situations
- Calculate time value of money problems
- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return
- Identify the major functions, risks and regulation of financial markets

## General Assessment Information

It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 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 tasks (not including the final exam mark) will not be addressed.

## Assessment Tasks

Name	Weighting	Due
<a href="#">Diagnostic Test</a>	0%	11:59pm Monday 9th March 2015
<a href="#">Online weekly quizzes</a>	20%	11:59pm Monday Weeks 4 to 13
<a href="#">Class Tests</a>	30%	Lectures in weeks 5 and 9
<a href="#">Final Exam</a>	50%	During University exam period

### Diagnostic Test

Due: **11:59pm Monday 9th March 2015**

Weighting: **0%**

This test is a quick recap of some of the assumed knowledge for this course and material from the first lecture. You will need to achieve 80% in this test before you can attempt the assessable weekly quizzes.

On successful completion you will be able to:

- Identify and explain fundamental concepts of finance

### Online weekly quizzes

Due: **11:59pm Monday Weeks 4 to 13**

Weighting: **20%**

Online quizzes will be completed weekly. For each of the online quiz, students use iLearn to obtain the questions and enter the answers. Students are given two attempts on each quiz and the highest mark is recorded. 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:

- Identify and explain fundamental concepts of finance
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- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return
- Identify the major functions, risks and regulation of financial markets

## Class Tests

Due: **Lectures in weeks 5 and 9**

Weighting: **30%**

Class Test 1 will be held in the first hour of the two hour lecture in Week 5. This test will be worth 15%. Students must attend at the lecture time for which they are enrolled. Class Test 1 will be based on material introduced in lectures in weeks 1, 2 and 3.

Class Test 2 will be held in the first hour of the two hour lecture in Week 9. This test will be worth 15%. Students must attend at the lecture time for which they are enrolled. Class Test 2 will be based on material introduced in lectures in weeks 4, 5, 6 and 7

On successful completion you will be able to:

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- Calculate time value of money problems
- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return

## Final Exam

Due: **During University exam period**

Weighting: **50%**

The closed book final examination will contain questions from all lectures. It will be a three hour exam with 10 minutes reading time.

To be eligible to pass this unit, a pass is required in the final examination.

On successful completion you will be able to:

- Identify and explain fundamental concepts of finance
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- Calculate time value of money problems
- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return
- Identify the major functions, risks and regulation of financial markets

## **Delivery and Resources**

### **Learning and Teaching Activities**

There are 3 hours of face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial.

Class times can be found at: <http://www.timetables.mq.edu.au>

### **Lectures**

The lecture notes will be made available from ACST101 iLearn.

### **Tutorials**

Tutorials which are held weekly commence in the second week of the semester.

Student should attend every tutorial. .

Tutorial enrolment or change of tutorial can be made through eStudent in the first two weeks of the semester. No tutorial changes are allowed after Week 2.

To prepare for each weekly tutorial, print a copy of the Tutorial Exercises from iLearn and attempt the first few questions eg for the Week 2 tutorial you should attempt Q1 to Q4 of the Tutorial Exercises on Week 1.

Check on eStudent for the location of your tutorial. Some tutorial rooms may have been changed since you enrolled. You must attend your allocated tutorial.

### **Required and Recommended Texts and/or Materials**

Required:

Fundamentals of Corporate Finance, Australasian 2nd Edition

Authors: Parrino, Kidwell, Au Yong, Dempsey, Morkel-Kingsbury, Ekanayake, Kofoed, Murray

ISBN : 978-0-7303-0542-2

<http://www.wileydirect.com.au/buy/fundamentals-of-corporate-finance-2nd-edition/>

## Technology Used and Required

### Calculators

Calculators will be allowed in the class tests and the final examination but a clear indication of the steps involved in every calculation must be shown.

Non-programmable calculators with no text-retrieval capacity are allowed. Calculators that have a full alphabet on the keyboard are not allowed. Graphics calculators are not allowed.

You will need a calculator which has  $x^y$  or  $^{\wedge}$ ,  $1/x$  and log or ln functions, and a memory.

## Unit Schedule

Week	Week beg.	Topic
1	23-Feb-15	Introduction
2	2-Mar-15	Time Value of Money - single amounts
3	9-Mar-15	Time Value of Money - multiple cash flows
4	16-Mar-15	Valuation - debt
5	23-Mar-15	Valuation - equity + <b>class test</b>
6	30-Mar-15	Valuation - Investments
	6-Apr-15	Break
	13-Apr-15	Break
7	20-Apr-15	Valuation – spread sheets
8	27-Apr-15	Risk and Return
9	4-May-15	Market structure + <b>class test</b>
10	11-May-15	Equity and Debt Markets
11	18-May-15	Managing risk
12	25-May-15	Special Topics
13	1-Jun-15	Revision

## Learning and Teaching Activities

### Lectures

The lectures will cover the weekly topics and draw on the textbook as needed. It is essential that you attend lectures and participate in weekly discussions.

### Tutorials

Tutorials will revise concepts presented in lectures. Students are given exercises which should be attempted before the tutorial.

## 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/)

## 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](http://ask.mq.edu.au).

## Supplementary Exams

Further information regarding supplementary exams, including dates, is available here [http://www.businessandeconomics.mq.edu.au/new\\_and\\_current\\_students/undergraduate\\_current\\_students/how\\_do\\_i/disruption\\_to\\_studies/](http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/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](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.

## 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

- Identify and explain fundamental concepts of finance
- Apply fundamental concepts of finance to current affairs and real life situations



- Calculate time value of money problems
- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return
- Identify the major functions, risks and regulation of financial markets

## **Assessment tasks**

- Diagnostic Test
- Online weekly quizzes
- Class Tests
- Final Exam

## **Learning and teaching activities**

- The lectures will cover the weekly topics and draw on the textbook as needed. It is essential that you attend lectures and participate in weekly discussions.
- Tutorials will revise concepts presented in lectures. Students are given exercises which should be attempted before the tutorial.

## **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**

- Identify and explain fundamental concepts of finance
- Apply fundamental concepts of finance to current affairs and real life situations
- Calculate time value of money problems
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essential that you attend lectures and participate in weekly discussions.

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## 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

- Apply fundamental concepts of finance to current affairs and real life situations
- Calculate time value of money problems
- Evaluate financial information using a spreadsheet
- Explain the relationship between risk and return

### Assessment tasks

- Online weekly quizzes
- Class Tests
- Final Exam

### Learning and teaching activities

- The lectures will cover the weekly topics and draw on the textbook as needed. It is essential that you attend lectures and participate in weekly discussions.
- Tutorials will revise concepts presented in lectures. Students are given exercises which should be attempted before the tutorial.

## Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

### Learning outcomes

- Identify and explain fundamental concepts of finance
- Apply fundamental concepts of finance to current affairs and real life situations

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- Identify the major functions, risks and regulation of financial markets

## **Assessment tasks**

- Online weekly quizzes
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- The lectures will cover the weekly topics and draw on the textbook as needed. It is essential that you attend lectures and participate in weekly discussions.
- Tutorials will revise concepts presented in lectures. Students are given exercises which should be attempted before the tutorial.

## **Changes from Previous Offering**

This course has been redesigned and as such it has changed significantly from the previous offering. Some of the topics covered have changed and the material now covers more asset classes. The elements and techniques sections have been integrated and spreadsheets have been introduced.