



# ECFS991

## Equity Capital Markets

AFC Term 2 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

Lecturer

Gorden Shen

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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

This unit covers core methods for the raising and management of equity capital. In particular, students can anticipate completing the unit with a fundamental working practical knowledge of the processes and core theory that is required to conclude a successful IPO or secondary market equity capital raising. The unit also explores a range of capital management techniques, including share buybacks.

## 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:

Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.

Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.

Understand regulatory and market requirements of equity raisings and capital return mechanisms.

Ability to implement major types of equity capital raisings, including IPO's, secondary

market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## 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
<a href="#">Class Participation</a>	10%	Ongoing
<a href="#">Case Study</a>	40%	Refer to iLearn
<a href="#">Final Exam</a>	50%	Refer to Timetable

### Class Participation

Due: **Ongoing**

Weighting: **10%**

#### Summary of Assessment Task

**Individual / Group:** Individual / Group

**Due Date:** Ongoing

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

**Submission Method:** In class

**Duration:** Refer to iLearn

#### Extension Requests:

- No extensions are permitted.
- Late submission will result in zero marks, unless special consideration is approved by the Director of Studies under the University's Disruption to Studies Policy.

On successful completion you will be able to:

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role

of alternative mechanisms for returning capital to shareholders.

- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Case Study

Due: **Refer to iLearn**

Weighting: **40%**

### **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 the Unit's 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:**

- Case Study will be handed out in class.
- Case Study is to be typed using 1.5 spacing in no smaller than 11 point Arial font.
- The case study will have both a word and page limit, details of which will be outlined in the instructions. It will require you to critically analyse the IPO, sale process and offer structure and you will need a thorough understanding of such factors as:
  - valuation for the purposes of an equity markets transaction;
  - offer structure;
  - regulatory issues that were encountered; and
  - the strategies and tactics that were used for the sale process.

On successful completion you will be able to:

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Final Exam

Due: **Refer to Timetable**

Weighting: **50%**

### 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](http://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](http://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 include calculators. Permitted calculators are noted under 'Calculators' below.
- Exam times and locations are noted in the unit timetable at [www.mafc.mq.edu.au](http://www.mafc.mq.edu.au).
- Refer to MAFC Program Rules & Procedures at [www.mafc.mq.edu.au](http://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](http://www.mafc.mq.edu.au).
- Deferral of an examination is not permitted, unless special consideration has been approved by the Director of Studies under the University's Disruption to Studies Policy.
- Refer to MAFC Program Rules & Procedures at [www.mafc.mq.edu.au](http://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:

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Delivery and Resources

### CLASSES

**Face-to-Face Teaching:** Generally 20 hours

**Timetable:** Detailed timetable for classes are on the Centre's web site [www.mafc.mq.edu.au](http://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

#### **Additional Readings:**

- Additional readings are available on iLearn.
- Students should assume these readings are examinable unless otherwise advised.

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

**Pre-Unit Materials:** Information papers on statistics, regression, accounting and other material may be found at <http://www.mafc.mq.edu.au/applications/minimum-knowledge-requirement/pre-course-materials1/>. Students should work through this material prior to commencing the degree. The material will remain a useful reference as students progress through the program.

**Useful References:** ASX Listing Rules, Consultation Papers and Exposure Drafts.

**Calculators:**

- A financial calculator that can handle time value of money calculations, logs and power functions is required.
- The Hewlett Packard calculator hp17bII+ is recommended.
- In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

**Assumed Knowledge:**

- An understanding of valuation concepts and of financial reports is assumed. The unit has both qualitative and quantitative aspects to it. The key areas for financial analysis are financial assessment of the performance of companies and the practical application of valuation principles.
- Students should look at the Web link below to obtain notes on the minimum mathematical and statistical knowledge required to undertake the Master of Applied Finance degree: <http://www.mafc.mq.edu.au/applications/minimum-knowledge-requirement/pre-course-materials1/>

**Assumed Access:**

- Access to a computer with word processing and spreadsheet capability, email software and your own connection to an internet service provider are assumed.
- General student computer literacy is also assumed.

## **TECHNOLOGY USED AND REQUIRED**

**Unit iLearn Site:**

- Found by logging on to iLearn [ilearn.mq.edu.au](http://ilearn.mq.edu.au), then clicking on ***Equity Capital Markets***.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the 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**

### **MATERIALS**

#### **Topics:**

- Lecture Slides
- ASX Listing Rules – Chapters 1, 2, 7, 9 & 11
- ASIC Policy Statements – 56 Prospectuses, 170 Prospective Financial Information, 173 Disclosure for on-sale of securities and other financial products
- ASIC Share Purchase Plan class order
- ASX Guidance Note – 12 Changes to Activities
- ASX paper on capital raisings during the Global Financial Crisis
- ASX consultation paper on new rules and timetables for capital raisings
- ASX IPO brochure
- Takeovers Panel Guidance Note 17
- IPO Share Offer Document – Nine Entertainment Company, Dick Smith Holdings, Collins Foods
- Rights issue case study – Billabong International Limited
- Hybrid announcement, presentation and terms – AGL Limited

## **INTRODUCTION TO ECM**

#### **Topics:**

- Basic Concepts
  - Practice versus Theory
  - Basic Disciplines - Numeracy, Legal, Regulatory, Market Awareness, Project Management
  - Access to Capital and the Power of Balance Sheet
  - Debt versus Equity – Scrip as a Currency
  - The Issue – the Chairman, Company Secretary, Finance Director
  - The Main Players – Accountants, Solicitors, Valuers, Experts, Corporate Advisors, Stockbrokers (corporate, research, distribution)
  - Types of Investors – Retail, Superannuation Funds, Investment Management



- Funds, Hedge Funds, Speculators and Ethical Funds
- Risks and Traps
- Technical Aspects and Documentation
  - The Pitch, including Capability Statement
  - Mandate Letter: Fees, Warranties, Restrictions, Timetable, Rights of Sponsor or Underwriter
  - Underwriting, and Sub-Underwriting Agreements
  - Investor Acceptance and Conditional Acceptance
- Valuation Concepts
  - Yields, Price to Earnings, Pay-Out Ratios, EBITDA multiples, Franking
  - Historical versus Prospective Forecasts
  - Role of DCF Analysis

## PRIMARY ISSUANCE

### Topics:

- Initial Public Offerings
  - Why List?
  - The Role of Seed Capital
  - The Assets and/or Profits Test
  - The Mature Business versus a Start-Up Business
  - Excluded versus Public or Retail Offerings (assets or income test/accountant's certificates), The Basic Rules < 20 Shareholders, \$500,000 <etc
  - Qualities of a "Good" Offering e.g. Fundamentals, Quality of the Share Register, Share Structure, Escrow, Alignment of Interests, the Free Float, Liquidity, a Competent Board, Potential for Index Inclusion, Managing Expectations
  - Underwriting or Sponsorship-Role of the Lead and Co-Managers
  - Prospectus Content, Procedure, Lodgment & Supplementaries
  - Due Diligence and the DD Defense
  - Forecasts
  - The Transaction Timetable
  - The Pathfinder Prospectus
  - Documentation, Marketing (what you can and can't say) and the Road-Show
  - Lodgment and Electronic Prospectuses
  - Loyalty Schemes e.g. Options
  - Research and ASIC Guidance – the "Quiet" Period
  - Pricing – the Vend, Discounts, Technology Companies etc

- Role of the Independent Expert
- Book Builds, Dutch Auctions etc
- Priority Entitlements and Allocation
- Market Stabilisation and Greenshoes
- CASE STUDY – QR National Limited, Collins Foods

## SECONDARY MARKET ISSUANCE

### Topics:

- Placements
  - Secondary Market Raisings – Strengths and Weaknesses
  - Strategic Issues – Timing, Pricing, Cornerstones, Disclosure etc
  - When a Prospectus is Required?
  - The 15% Rule and Exceptions to it
  - On Selling Issues (s. 708) and Cleansing Statements by the Company
  - Continuous Disclosure, Trading Halts and Suspension
  - Spin-Outs
  - Documentation – Appendix 3B etc
- Rights Issues
  - Underwriting
  - Timetable
  - Short Form Prospectus
  - Pricing and Structure
  - Change of Control Issues
  - The Role of the Small Shareholder
  - Renounceable or Non-Renounceable
  - Case Study – Billabong International
- Back-Door Listings
  - Characteristics of a “Clean” Shell
  - Primary or Secondary Market Raising?
  - Change of Scale and/or Change of Activity
  - Motives – Existing Board and Shareholders, the Vendor (Spread and Minimum Parcels, Liquidity, Access to Capital, Reduced Cost)
  - Role of the Pathfinder Prospectus
  - Prospectus Requirements
  - Voluntary escrow (notification)
  - Shareholder Approvals

- Related Party Transactions
- Ordinary and Special resolutions at EGMs
- Summary: Advantages and Disadvantages
- CASE STUDY – Vocus Communications Limited
- Share Purchase Plans (SPPs)
  - Advantages & Disadvantages
  - Timing, Pricing, Underwriting, Documentation
  - Limitations
- Dividend Repurchase Plans (DRPs)
  - Documentation
  - Pricing
  - Underwriting
- Convertibles and Hybrids
  - Listed or Unlisted
  - Terms and Conditions
  - The Role of the Trust Deed
  - CASE STUDY – AGL Limited

## **CAPITAL MANAGEMENT**

### **Topics:**

- Share Buy-Backs
  - Pro-Rata Return
  - On-Market
  - Off-Market-Equal Access
  - Off-Market-Selective Access
  - Legal and Tax Issues
- Dual Listings
  - When to Go?
  - The Role of Sponsors
  - Cost/Benefit Analysis
  - Offshore Exchanges
  - Capital Transfer Mechanism
  - ADRs in Detail
  - Measures of Success

## 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](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](#).

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](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 enquiry service (MAFC-specific)

For all student enquires, please contact [studentsupport@mafc.mq.edu.au](mailto: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/](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](http://ask.mq.edu.au)

## IT Help

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

p/.

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

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

#### Assessment tasks

- Class Participation
- Case Study
- 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

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Assessment tasks

- Class Participation
- Case Study
- 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

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Assessment tasks

- Class Participation
- Case Study
- 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

- Compare, contrast and critically evaluate major types of equity capital raisings (both primary and secondary market issuance) in terms of their role in the organisation's capital strategy, and their costs, risks and benefits.
- Understand and apply capital management strategies and techniques, including the role of alternative mechanisms for returning capital to shareholders.
- Understand regulatory and market requirements of equity raisings and capital return mechanisms.
- Ability to implement major types of equity capital raisings, including IPO's, secondary market offers, block trades or share buybacks. This will cover the process from selection of appropriate method, pricing, legal and regulatory requirements and execution of transaction.

## Assessment tasks

- Class Participation
- Case Study
- Final Exam

## Changes from Previous Offering

## 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](http://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 (requires a Standardised Numerical Grade of 50 or better) the student must pass the final examination.
- 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>.