



FOBE202

Finance and Regulation for New Ventures

S2 Day 2016

Dept of Accounting & Corporate Governance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	8
<u>Graduate Capabilities</u>	10
<u>Research and Practice, Global and Sustainability</u>	13

Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Unit Convenor

Michael Quilter

michael.quilter@mq.edu.au

E4A309

By appointment

Lecturer

Garry Morris

garry.morris@mq.edu.au

By appointment

Credit points

3

Prerequisites

24cp including BBA102

Corequisites

Co-badged status

Unit description

This unit will introduce students to core financial and legal aspects of selecting, forming and structuring a business. By understanding the elements of financial planning, budgeting and capital raising students will be able to make commercially sound choices in relation to starting a business and comparing business structures. The unit also covers the relevant legal concepts and principles underpinning the regulation of business. Students will be introduced to the legal frameworks and issues relevant to different types of business structures and develop an awareness of corporate management responsibilities. The regulation of the operational aspects of a business will also be considered. At the conclusion of the unit students will have had an opportunity to gain a valuable perspective on commencing and running business operations.

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:

Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.

Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation

Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.

Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events

Evaluate sources of funding and financing needs

Assessment Tasks

Name	Weighting	Due
<u>Class Test - Law 1</u>	20%	16/8/2016
<u>Class Test - Law 2</u>	30%	6/9/2016
<u>Assignment - Finance</u>	20%	25/10/2016 by 9am
<u>Class Test - Finance</u>	30%	1/11/2016

Class Test - Law 1

Due: **16/8/2016**

Weighting: **20%**

This test will be held in class on 16/8/2016 - see Assessment Guide on iLearn for more information

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.

Class Test - Law 2

Due: **6/9/2016**

Weighting: **30%**

This test will be held in class on 6/9/2016.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.

Assignment - Finance

Due: **25/10/2016 by 9am**

Weighting: **20%**

This assignment must be submitted via iLearn/Turnitin by 9am 25/10/2016. No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for disruption to studies is made and approved.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events
- Evaluate sources of funding and financing needs

Class Test - Finance

Due: **1/11/2016**

Weighting: **30%**

This test will be held in class on 1/11/2016.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events
- Evaluate sources of funding and financing needs

Delivery and Resources

Classes

Classes will progress through the various Lecture Areas referred to in this Unit Guide. Students will attend one seminar (time allotted 3 hours) each week. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure. Note that together with the designated practice questions, the classes may cover other issues relevant to the unit.

The timetable for classes can be found on the University web site at:

<http://www.timetables.mq.edu.au/>

Required and Recommended Texts and/or Materials

Law - Quilter, *Company Law Perspectives*, 2nd ed. 2014, Thomson Reuters (Lawbook Co.)

Finance - Berk, J., DeMarzo P., Harford J., Ford, G., Mollica, V. and Finch, N., *Fundamentals of Corporate Finance*, 2nd Australian Edition, 2014, Pearson Australia,

Both of the above texts can be purchased from the Macquarie University Co-op Bookshop, and are available in the Macquarie University library.

Seminars may make use of PowerPoint; overhead projectors; visualisers.

Unit material will be available on the learning management system (iLearn)

There is a web page for this unit.

This unit is taught by way of seminars. Practice questions are discussed to enable application of content.

Students should take responsibility for their own learning and this will incorporate reading as required, attendance at seminars, developing effective study strategies, reflection on their abilities, and a task oriented approach to assessment – that is, do not think solely about gathering information - think about what will be required - what makes for successful performance in tests and assignments - how you will use the material you have studied.

Students should be ready to allocate at least 150 hours during session time for FOBE202. This includes all classes, assessment, personal study and other learning activities. Here is a sample breakdown of a student workload:

	Activities	Hours
1	Weekly Seminars including required assessment (3×12)	36
2	Assessment Task 1 and 2 (self-study plus preparation)	57
3	Assessment Task 3 and 4 (Self-study plus preparation)	57
	Total	150

Unit Schedule

This Unit has a Law component and a Finance component

LAW

Law text: Quilter, **Company Law Perspectives**, Thomson Reuters (Lawbook Co.) **2nd ed. 2014** [referred to herein as "Q"]

Week1 – Law

Legal system

Litigation; Tort; Contract; Consumer Law (**Q Ch. 31**); Intellectual Property; Agency (**Q Ch. 1**)

Week 2 – Law

Comparison of business organisations

Corporate legislative framework, registration and types of companies

Partnership Act: www.austlii.edu.au/au/legis/nsw/consol_act/pa1892154/

Associations; Sole Proprietors; Partnerships: **Q Ch. 2**

Applying for registration and the consequences of incorporation: **Q Ch. 5**

Types of Companies: **Q Ch. 4**

Corporations Act: www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/

Week 3 – Law

Class Test (Law 1)

The company constitution

Fundraising

Disclosure to Investors – fundraising: **Q Ch. 11**

Share capital: **Q Ch. 12**

Debentures and Loan Capital: **Q Ch. 14**

The company constitution and the replaceable rules: **Q Ch. 6**

Promoters and pre-registration contracts: **Q Ch. 9**

Week 4 – Law

Directors and Management

Duties of directors and other officers: **Q Ch. 15, 16, 17, 18**

Financial and Reporting Obligations of Directors: **Q Ch. 19**

Week 5 – Law

Insolvency – Corporate and Personal

Arrangements and Reconstructions; Receivership; Voluntary Administration:

Q Ch. 26, 27, 28 and 29

Bankruptcy

Liquidation - Insolvent trading: **Q Ch. 30**

Week 6 – Law

Class Test (Law 2)

FINANCE

Finance Text: Berk, J., DeMarzo P., Harford J., Ford, G., Mollica, V. and Finch, N., 2014. **Fundamentals of Corporate Finance, 2nd Australian Edition**, Pearson Australia, Frenchs Forest, Australia. ISBN 9781442564060 (referred to herein as '**Berk**')

Week 7 - Finance

Introduction to Corporate Finance

Berk Ch. 1 and 2

MID-SESSION BREAK

Week 8 – Finance

Time Value of Money

Berk Ch. 3, 4 and 5

Week 9 – Finance

Investment Decisions

Berk Ch. 8 and 9

Week 10 – Finance

Bond and Share Valuations

Berk Ch. 6, 7 and 10

Week 11 – Finance - Submit Finance Assignment

Raising Funds

Berk Ch. 14, 15 and 16

Week 12 – Finance

Class Test (Finance)

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

New Assessment Policy in effect from Session 2 2016 http://mq.edu.au/policy/docs/assessment/policy_2016.html. For more information visit http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

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

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.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.

Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

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

Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

Disruption to Studies Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. It recognises that students may experience disruptions that adversely affect their academic performance in assessment activities. To assist students through their studies, the University provides support services. Whilst advice and recommendations may be made to a student, it is ultimately the student's responsibility to access these services as appropriate.

http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

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://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources 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

- Examine the characteristics of the commercial legal environment and the Australian

corporate legislative framework.

- Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.
- Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events
- Evaluate sources of funding and financing needs

Assessment tasks

- Class Test - Law 1
- Class Test - Law 2
- Assignment - Finance
- Class Test - Finance

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

- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.
- Evaluate sources of funding and financing needs

Assessment tasks

- Class Test - Law 1
- Class Test - Law 2
- Assignment - Finance
- Class Test - Finance

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

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.
- Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events
- Evaluate sources of funding and financing needs

Assessment tasks

- Class Test - Law 1
- Class Test - Law 2
- Assignment - Finance
- Class Test - Finance

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

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.

- Distinguish between, and examine the characteristics of business organisations - particularly as to aspects of formation
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors, together with financial aspects and insolvency regulation.
- Apply investment and financing concepts to business decisions and evaluate financial viability including an understanding of financial models, forecasting capital expenditures, working capital needs and financing events
- Evaluate sources of funding and financing needs

Assessment tasks

- Class Test - Law 2
- Assignment - Finance
- Class Test - Finance

Research and Practice, Global and Sustainability

This unit addresses global and sustainability issues as direct areas of study and as necessary implications arising from the materials, assessment and academic discussion and debate in classes/seminars. We promote sustainability by developing ability in students to research and locate information within accounting discipline. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career.

The unit materials provide some guidance to references that could be used to research particular issues.

Both texts for this unit ([Company Law Perspectives](#) and [Fundamentals of Corporate Finance](#)) are the result of research in relation to the area of company law. The material in these texts provides you with a thorough coverage of the relevant issues. Interested students can pursue further research into any of the areas of this unit via the various scholarly journals available. Examples of journals that can be consulted to follow up matters of interest in company law are: Australian Journal of Corporate Law; Company and Securities Law Journal.