



ACST101

Finance 1A

S3 Day 2016

Dept of Applied Finance and Actuarial Studies

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	7
<u>Policies and Procedures</u>	8
<u>Graduate Capabilities</u>	9
<u>Changes from Previous Offering</u>	11

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

Course convenor and lecturer

Wei Cui

wei.cui@mq.edu.au

Contact via 98508568

E4A728

TBA on iLearn

Credit points

3

Prerequisites

Corequisites

Co-badged status

Unit description

This is an introductory unit in finance and is a core part of the first year knowledge base in most programs. Students will examine the Australian financial system as well as an introduction to financial mathematics and the pricing of financial instruments. They will also learn about financial institutions, financial markets, and risk and regulation. Students will develop spreadsheet skills in finance which is a critical employment skill. A background of at least HSC General Mathematics or equivalent numerical competency is highly desirable. Students who do not have this background and who do not intend to continue with AFIN102 Finance 1B, are advised to enrol in ECON131 Quantitative Methods in Economics, Business and Finance. Students who plan to continue their studies in finance are strongly advised to have studied at least HSC Mathematics (2 Unit) or its equivalent or MATH123 before enrolling in AFIN102.

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 major functions, risks and regulation of financial markets.

Explain key fundamental concepts in finance including determinants of the time value of money.

Value cash flows including single and multiple amounts, annuities, company bonds and shares.

Explain the relationship between risk and return.

Evaluate financial information using a spreadsheet.

General Assessment Information

Assessment Criteria:

Assessment Criteria for all assessment tasks will be provided on the iLearn site.

Feedback Prior Census Date:

On-line Quiz 1 & 2 are to be completed before census date. The results from these quizzes provide an indication of whether you are progressing satisfactorily in the unit. If you are having difficulties, please arrange to see the Unit Convenor and consider withdrawing before the census date.

Reference Sheet:

In the Final Examination students will be permitted a "Reference Sheet": a ONE A4 sheet of paper containing reference material printed on both sides. The material may be handwritten and/or typed (any font, any colour(s)). The Reference Sheet will be collected at the end of the examination, and will not be returned to you. For the In Class Test no reference sheet is allowed and students will be provided with a formula sheet.

Within Session Assessment Task Marks:

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

Assessment Tasks

Name	Weighting	Due
<u>Online quiz</u>	10%	As shown on iLearn
<u>Assignment</u>	15%	12 Jan 2017, 23:55
<u>In Class Test</u>	15%	16 Jan 2017
<u>Final Exam</u>	60%	University Examination Period

Online quiz

Due: **As shown on iLearn**

Weighting: **10%**

An *On-line quiz* (open-book) will be held for each lecture from lecture 2 through to lecture 12. Students are given two attempts at each quiz and the higher mark will be recorded. The result of each quiz counts for 1% of total course marks. No extensions will be granted. Students who do not complete the quiz prior to the deadline will be awarded a mark of zero (0) for the task except for cases in which an application for Disruption to Studies is made and approved.

The on-line quiz link will appear in Assessment-Online Quiz section after each lecture and will remain open for 7 days. The deadline will be indicated in the title and description of each quiz.

On successful completion you will be able to:

- Identify major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

Assignment

Due: **12 Jan 2017, 23:55**

Weighting: **15%**

This assignment counts for 15% of course total marks. Students must attempt all questions in assignment booklet which can be downloaded from Assessment-Assignment section. Assignment will be based on material introduced in lecture 1, 2, 3 and 4.

Assignment must be submitted to Turnitin by 12 Jan 2017 23:55. No extension will be granted. Late tasks will be accepted up to 72 hours after the submission deadline.

There will be a deduction of 20% 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 - 40% penalty). This penalty does not apply for cases in which an application for Disruption to Studies is made and approved.

On successful completion you will be able to:

- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

In Class Test

Due: **16 Jan 2017**

Weighting: **15%**

In Class Test (ICT) will be held in the lecture on 16 Jan 2016. This test will be worth 15% of the course total marks.

Students must attend at the lecture time for which they are enrolled. The ICT will be based on material introduced in lectures 5, 6, 7 and 8. Instruction to the ICT can be found in Assessment-In Class Test section from 2 Jan 2017.

No extensions will be granted. Students who do not sit the test will be awarded a mark of 0, except for cases in which an application for Disruption to Studies in made and approved.

On successful completion you will be able to:

- Identify major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.

Final Exam

Due: **University Examination Period**

Weighting: **60%**

Final Examination (closed book) will cover all Week 1 through Week 13 topics. It will be a two hour exam, with 10 minutes added for reading time. Students will be permitted one '*Reference Sheet*' in the examination room comprising ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten and/or typed. The page will not be returned to students at the end of the final examination. Further instruction to the final exam will be uploaded to Assessment - Final Exam section on 9 Jan 2017.

On successful completion you will be able to:

- Identify major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.

Delivery and Resources

Learning and Teaching Activities

There are 12 teaching sessions in S3 2016. There are 3 hours of face-to-face teaching per session 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 commence on 6 December 2016 after the first lecture.

Tutorial questions are available on iLearn and students should attempt all questions before the tutorials. Solutions will be posted after the week in which the questions are discussed. Additional learning support will be available in tutor consultation times, and in PAL sessions.

Students should attend all tutorials.

Tutorial enrolment or change of tutorial can be made through eStudent before 17 December 2016. No tutorial changes are allowed after this date.

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.

Students are expected to complete the '*Tutorial Questions*' as a self-directed study activity before attending a tutorial.

Required Text

Parino, R. et al. 2014. Fundamentals of Corporate Finance (Australian 2nd Ed.). Milton, QLD: John Wiley & Sons Ltd.

ISBN : 978-0-7303-0542-2 <http://www.wileydirect.com.au/buy/fundamentals-of-corporate-finance-2nd-edition/>

Technology Used and Required

Calculator

A calculator will be permitted during the In Class Test and the *Final Examination*. Note: students are expected to clearly show all steps (workings) in their solutions to 'calculation' questions.

Non-programmable calculators with no text-retrieval functionality are permitted. Calculators that have a full alphabet on the keyboard are not permitted. Graphics calculators are not permitted. Calculators need the following minimum functionality: xy or x , $1/x$ and \log or \ln functions, and a memory.

Students are expected to by Week 1 be familiar at least with the basic operation of their calculator.

Computing

Students are expected to by Week 1 be familiar at least with the basic operation of their computing device, ensuring the device is *Wi-Fi* enabled to access lecture activities in 'real-time'.

Software

Students should have access to *Excel* software, and are expected to in Week 1 have viewed the '*Excel* Tutorial' in *iLearn 'Kick-Start'*. *Excel* will be used in lectures and tutorials from Week 1. A review of *Excel* fundamentals and time value of money functionality is scheduled for the Week 4 lecture. To maximise the benefit of the Week 4 lecture content, we strongly recommend students to engage with *Excel* from Week 1.

Knowledge of Maths

A background of at least HSC General Mathematics or equivalent numerical competency is highly desirable. A small self-diagnostic online Maths Revision exercise will be available on iLearn in Week 1. The test is not assessable but may assist in providing an indication of your understanding of the type of mathematics functions we will use in the unit. Students requiring assistance with the unit's mathematical elements throughout the term may consult with the *Numeracy Centre* team during appointed hours (no appointment needed).

Unit Schedule

Session	Date	Topic
1	06-Dec-15	Introduction - the financial system (Chapter 2)
2	07-Dec-15	Time Value of Money - single amounts (Chapter 5)
3	13-Dec-15	Time Value of Money - multiple cash flows (Chapter 6)
4	14-Dec-15	Time Value of Money - Excel Fundamentals (Materials provided on iLearn)
5	03-Jan-16	Time Value of Money - Higher Level Problems (Materials provided on iLearn)
6	04-Jan-16	Valuation - debt (Chapter 8 and Chapter 10)
7	09-Jan-16	Valuation - equity (Chapter 9)
8	10-Jan-16	Capital budgeting (Chapter 10)
9	11-Jan-16	Raising capital (Chapter 15)

10	16-Jan-16	In Class Test
11	17-Jan-16	Risk and Return (Chapter 7)
12	18-Jan-16	Revision

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

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.

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

- Identify major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.

- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

Assessment tasks

- Online quiz
- Assignment
- In Class Test
- Final Exam

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 major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

Assessment tasks

- Online quiz
- Assignment
- In Class Test
- Final Exam

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

- Identify major functions, risks and regulation of financial markets.
- Explain key fundamental concepts in finance including determinants of the time value of money.
- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

Assessment tasks

- Online quiz
- Assignment
- In Class Test
- Final Exam

Changes from Previous Offering

1. The In Class Test 1 of S2 2016 is replaced by Assignment in S3 2016.
2. A lecture on risk management (introduction to derivatives) is added in S3 2016.
3. The introduction to Global Financial Crisis is removed.