



# AFIN102

## Finance 1B

S2 Day 2016

*Dept of Applied Finance and Actuarial Studies*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Teacher

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Credit points

3

Prerequisites

ACST101

Corequisites

Co-badged status

Unit description

This unit introduces students to the financial sector, preparing them for more advanced studies in finance, and developing their interest in a career in finance. It explains the theories, principles and methods used in financial decision-making by individuals, financial institutions and companies, and applies them to the real world using current examples and market data. It further explores financial institutions and markets, and other real world considerations that affect financial transactions of individuals, financial institutions, companies and governments in a modern economy. This is an interesting and relevant unit for students intending to undertake further studies in any area of business and economics, and is required for further studies in finance. Students without a background of at least HSC Mathematics (2 Unit) or equivalent are strongly advised to have studied MATH123 prior to enrolling in this unit.

## 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 how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.

Understand the importance of law, independence and objectivity of information when working in the finance industry.

Apply financial theory to real world corporate and personal financial decisions.

Confidently read and discuss financial publications.

Work productively in a group to successfully complete a financial analysis.

## General Assessment Information

**Details:** Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

**Consultation:** Teacher consultation times will be posted to iLearn.

**Questions:** Subject-related questions whose answer is useful to everyone should be posted to the iLearn discussion board. Questions of a personal nature can be emailed to the teachers.

**Marks in gradebook:** It is the responsibility of students to view their marks for each 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 tasks (not including the final exam mark) will not be addressed.

## Assessment Tasks

Name	Weighting	Due
<a href="#"><u>Self-assessment test</u></a>	0%	Week 3
<a href="#"><u>Week 4 class test</u></a>	5%	Week 4
<a href="#"><u>Mid semester class test</u></a>	20%	Week 8
<a href="#"><u>Group assignment</u></a>	15%	Week 9
<a href="#"><u>Final Exam</u></a>	60%	See Exam Timetable

### Self-assessment test

Due: **Week 3**

Weighting: **0%**

Please use this assessment task as an indicator of whether you are progressing satisfactorily in the unit. The test will be administered online in the form of 10 multiple choice questions. If you are having difficulties, please see the your tutor or lecturer in consultation or the Peer Assisted Learning (PAL) teacher for more help, or consider withdrawing from the subject before the census date on Friday of week 4.

On successful completion you will be able to:

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Apply financial theory to real world corporate and personal financial decisions.

## Week 4 class test

Due: **Week 4**

Weighting: **5%**

This test will be held during tutorials. It will consist of 10 multiple choice questions over 40 minutes.

On successful completion you will be able to:

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Understand the importance of law, independence and objectivity of information when working in the finance industry.
- Confidently read and discuss financial publications.

## Mid semester class test

Due: **Week 8**

Weighting: **20%**

This test will be held during lectures.

On successful completion you will be able to:

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Understand the importance of law, independence and objectivity of information when working in the finance industry.
- Apply financial theory to real world corporate and personal financial decisions.
- Confidently read and discuss financial publications.

## Group assignment

Due: **Week 9**

Weighting: **15%**

The assignment topic will be announced during the course of the semester. Groups may contain 2 to 4 members, but no more. Details will be released on ilearn.

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 of studies is made and approved. No submission will be accepted after solutions have been posted.

On successful completion you will be able to:

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Understand the importance of law, independence and objectivity of information when working in the finance industry.
- Apply financial theory to real world corporate and personal financial decisions.
- Confidently read and discuss financial publications.
- Work productively in a group to successfully complete a financial analysis.

## Final Exam

Due: **See Exam Timetable**

Weighting: **60%**

The exam will be based on the entire course.

On successful completion you will be able to:

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Understand the importance of law, independence and objectivity of information when working in the finance industry.
- Apply financial theory to real world corporate and personal financial decisions.
- Confidently read and discuss financial publications.

## Delivery and Resources

Course materials are available on ilearn including lecture notes, tutorial questions, answers and readings.

Homework questions are available from the free web site [fight finance](#) which you complete every week before your tutorial class. Answers are available there too after selecting an answer option.

For students who are looking for an another learning resource, the following textbook is recommended but not compulsory:

[Fundamentals of Corporate Finance \(2nd Edition\)](#) by Berk, Demarzo, Harford, Ford, Mollica and Finch, published by Pearson.

The Chartered Financial Analysis (CFA) institute also has useful resources to learn from: <http://www>

[w.cfainstitute.org/learning/products/onlinelearning/Pages/60499.aspx?WPID=BrowseProducts](http://w.cfainstitute.org/learning/products/onlinelearning/Pages/60499.aspx?WPID=BrowseProducts)

## Unit Schedule

Week	Date (Monday)	Topic
1	1.8.16	Investment assets, effective returns and inflation. Tutorials scheduled in first week.
2	8.8.16	Discounted cash flow and multiples valuation.
3	15.8.16	Debt valuation, annualised percentage rates and yield curves.
4	22.8.16	Cash flows and unlevered project valuation. <b>Tutorial test (5%)</b> . Census date 26.8.16.
5	29.8.16	Interest tax shields, cost of capital and levered business project valuation.
6	5.9.16	Return, risk, diversification and Markowitz portfolio theory.
7	12.9.16	Utility functions.
Break		Monday 19.9.16 to Friday 30.9.16
8	3.10.16	<b>Mid semester test in lectures (20%)</b> .
9	10.10.16	Capital asset pricing model. <b>Assignment (15%)</b> .
10	17.10.16	Market efficiency, ethics and regulatory bodies.
11	24.10.16	Capital raising and payout policy.
12	31.10.16	Return distributions.
13	7.11.16	Revision.

Tutorial questions will be made available on ilearn.

## Learning and Teaching Activities

### Lectures and Tutorials

The unit is delivered through weekly lectures and tutorial classes. Tutorial questions will be posted to ilearn. Students should complete tutorial questions in advance since teachers will progress at the rate preferred by those students who have attempted the work. Teachers welcome questions and enjoy discussions of the concepts. Answers to the tutorial questions will be posted on iLearn after each week.

### Expectation from Students

To achieve the best possible results in this unit: Try not to miss a lecture or tutorial class. This subject moves very fast and each week builds on the one before. Do as many practice questions as possible. Bring the lecture notes and tutorial questions to class and raise questions with your teachers. Talk about the topics with your friends and relatives. Many people enjoy friendly

discussions about property, shares, leverage, taxes and interest rates.

## 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)

**New Assessment Policy in effect from Session 2 2016** [http://mq.edu.au/policy/docs/assessment/policy\\_2016.html](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/](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](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](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.businessandconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/special\\_consideration](http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/special_consideration)

## 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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](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

- Understand how financial concepts are expressed in mathematical formulas and then applied in valuing equity, debt, property and business projects.
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- Apply financial theory to real world corporate and personal financial decisions.



- Confidently read and discuss financial publications.
- Work productively in a group to successfully complete a financial analysis.

## Assessment tasks

- Week 4 class test
- Mid semester class test
- Group assignment
- Final Exam

## Learning and teaching activities

- The unit is delivered through weekly lectures and tutorial classes. Tutorial questions will be posted to iLearn. Students should complete tutorial questions in advance since teachers will progress at the rate preferred by those students who have attempted the work. Teachers welcome questions and enjoy discussions of the concepts. Answers to the tutorial questions will be posted on iLearn after each week.
- To achieve the best possible results in this unit: Try not to miss a lecture or tutorial class. This subject moves very fast and each week builds on the one before. Do as many practice questions as possible. Bring the lecture notes and tutorial questions to class and raise questions with your teachers. Talk about the topics with your friends and relatives. Many people enjoy friendly discussions about property, shares, leverage, taxes and interest rates.

## 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:

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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

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## **Changes from Previous Offering**

This assessment weights were changed to adhere to the AACSB policies.