



# ACST852

## Finance and Financial Reporting

S2 Evening 2016

*Dept of Applied Finance and Actuarial Studies*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Lecturer and Convenor

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Lecturer

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Credit points

4

Prerequisites

(4cp in ACCG or ACST or BUS or ECON or MKTG units at 600 level) or admission to MActPrac post 2014

Corequisites

Co-badged status

Unit description

This unit provides a basic understanding of corporate finance, including a knowledge of the instruments used by companies to raise finance and manage financial risk, and an ability to interpret accounts and financial statements of companies and financial institutions. Students gaining a grade of credit or higher in this unit may apply for exemption from subject CT2 of the professional exams of the Institute of Actuaries of Australia.

## 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:

Demonstrate an understanding of the process of financial reporting and the interpretation

of financial reports

Understand and explain in a group presentation how one or more finance concepts in this unit relate to the global economy and the operations of financial markets

Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure

Organise and actively participate in a project to report on an aspect of finance and financial reporting

## General Assessment Information

### Gradebook

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 Criteria

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

### Late submission or non-attendance penalties

Class Tests and Group Presentation: – No further opportunity to complete this task will be granted. Students who miss the task will be awarded a mark of 0 for the task, except for cases in which an application for disruptions to studies is made and approved.

Assignment: - 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.

## Assessment Tasks

| Name                     | Weighting | Due                |
|--------------------------|-----------|--------------------|
| <u>Class Tests</u>       | 15%       | Weeks 3 and 10     |
| <u>Group Assignment</u>  | 15%       | Week 8             |
| <u>Final Examination</u> | 60%       | Examination period |
| <u>Presentations</u>     | 10%       | Throughout         |

## Class Tests

Due: **Weeks 3 and 10**

Weighting: **15%**

A class test focusing on the material taught in Weeks 1 and 2 will be held in the lecture in Week 3, and returned to students during week 4. Please use the first class test as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date on Friday of week 4.

A class test focusing on the material taught in Weeks 6, 7, 8 will be held in the lecture in Week 10 and returned to students during week 11.

On successful completion you will be able to:

- Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure

## Group Assignment

Due: **Week 8**

Weighting: **15%**

This task must be submitted electronically via iLearn.

Every student must participate in the group assignment and report so that individual student contribution to the group report can be identified. Each member of a group will be required to complete an assessment of the contributions of individual members.

More details will be provided on iLearn at the beginning of the semester.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Organise and actively participate in a project to report on an aspect of finance and financial reporting

## Final Examination

Due: **Examination period**

Weighting: **60%**

A three hour final examination for this unit will be held during the University Examination period.

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned at the end of the final examination.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Understand and explain in a group presentation how one or more finance concepts in this unit relate to the global economy and the operations of financial markets
- Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure

## Presentations

Due: **Throughout**

Weighting: **10%**

Throughout the semester, students will present in groups of 3 to 5 students on given topics that link the unit material to real world issues and problems.

Every student must participate in the group presentations and report so that individual student contribution to the group presentations and report can be identified. Each member of a group will be required to complete an assessment of the contributions of individual members.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Understand and explain in a group presentation how one or more finance concepts in this unit relate to the global economy and the operations of financial markets
- Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure

## Delivery and Resources

### Required and Recommended Texts and/or Materials

#### Text

Principles of Managerial Finance, 6th edition. Gitman, Juchau and Flanagan, Pearson Australia, 2011.

### Technology Used and Required

#### Calculators

You may use a calculator in the class test and in the final examination provided it is portable, silent and battery operated, but you must show clearly the steps involved in every calculation. You may NOT use any calculators that have a text-retrieval capacity, whether or not they have a full alphabet on the keyboard. Calculators may be checked at the commencement of the class test and final exam, and the make/model may be recorded.

## Word processing

Students need to have access to word processing software (like Word) to complete the Group Assignment. You will need electronically submit your Assignment (using iLearn) as a PDF file. Check your word processing software can generate a PDF file.

## Spreadsheet program

Many of the problems you will encounter in this unit can be solved easily with the spreadsheet program, Excel. You can use this spreadsheet program to verify your solutions to many of the problems you are solving.

## Unit Schedule

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|    |  |
|----|--|
| 1  | Overview of finance                                      |
| 2  | Risk and return in the context of valuation              |
| 3  | Class test, Understanding financial statements           |
| 4  | Financial statement analysis - ratios                    |
| 5  | Financial statement analysis - applications in insurance |
| 6  | Capital structure and cost of capital                    |
| 7  | Valuation of debt and equity instruments                 |
|    | <b>Semester break</b>                                    |
| 8  | Capital project analysis: Methods                        |
| 9  | Capital project analysis: Issues and applications        |
| 10 | Class test, Business ethics                              |
| 11 | Dividends and working capital decisions                  |
| 12 | Applications to real financial markets                   |
| 13 | 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](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/ne>

## [w 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.businessandeconomics.mq.edu.au/current\\_students/undergraduate/how\\_do\\_i/disruption\\_to\\_studies](http://www.businessandeconomics.mq.edu.au/current_students/undergraduate/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://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

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

#### Learning outcomes

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure

#### Assessment tasks

- Class Tests
- Final Examination
- Presentations

### 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

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Understand and explain in a group presentation how one or more finance concepts in this unit relate to the global economy and the operations of financial markets
- Demonstrate an understanding of the basic concepts of finance, including risk and return, the valuation of financial instruments, cost of capital, and capital structure
- Organise and actively participate in a project to report on an aspect of finance and financial reporting

## Assessment tasks

- Class Tests
- Group Assignment
- Final Examination
- Presentations

## PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

## Learning outcomes

- Understand and explain in a group presentation how one or more finance concepts in this unit relate to the global economy and the operations of financial markets
- Organise and actively participate in a project to report on an aspect of finance and financial reporting

## Assessment tasks

- Group Assignment
- Presentations

## Changes from Previous Offering

This offering differs to previous offerings, by having a new lecturer, and a different order of topics. The assessments have changed, introducing group presentations and a group assignment. The final examination is worth 60%.

## Changes since First Published

| Date           | Description  |
|----------------|--|
| 22/07/<br>2016 | Contact details for staff have been added. The description of the assignment as a group assignment has been clarified. |