ACST101

Finance 1A

S2 Day 2017

Dept of Applied Finance and Actuarial Studies

Contents

General Information

Unit convenor and teaching staff
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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.

Final Exam 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 1 (ICT) no reference sheet is allowed and students will be provided with a formula sheet.

<u>Within Session Assessment Task Marks:</u> 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	Hurdle	Due
On-Line Quiz (10 in total)	23%	No	Week 2 to Week 13
Excel Assignment	7%	No	11th September 2017 11.55pm
Class Test	15%	No	Week 10
Final Exam	55%	No	University Examination Period

On-Line Quiz (10 in total)

Due: **Week 2 to Week 13**
Weighting: **23%**

An *On-line quiz* (open-book) will be held each week from week 2 through to week 13. Quiz 4 contributes to a possible **5%** of overall quiz marks and is part of the Excel Assignment requirement. The other 9 quizzes each carry a weight of 2% (total **18%** of possible course marks). Students are given a single attempt at each quiz. No extensions will be granted.

Students should not delay completion of any quiz until the last day. 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 (DtS) is made and approved. Any approved DtS application in relation to an online quiz will normally only be considered for special consideration where the disruption lasted for at least three days of the assessment period. Where the DtS is granted, the student may be offered an alternative assessment or may receive a mark based on the percentage mark achieved by the student in one or more other assessment tasks, at the Unit Convenor's discretion.

On successful completion you will be able to:
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- Explain key fundamental concepts in finance including determinants of the time value of money.
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- Explain the relationship between risk and return.
- Evaluate financial information using a spreadsheet.

Excel Assignment

Due: **11th September 2017 11.55pm**
Weighting: **7%**

The Excel Assignment requires preparation of an excel spreadsheet. The assignment is to be completed individually. Details of the assignment, the submission procedure and marking guide will be posted on iLearn by the beginning of week 4. [Note: Students must also complete the excel online quiz being Quiz 4 mentioned above. The Quiz is separately assessed.] No extensions will be granted. Students who do not complete the assignment prior to the deadline will be awarded a mark of 0 for the task except for cases in which an application for Disruption to Studies is made and approved. The Unit Convenor has no discretion to award a supplementary assessment outside of the DtS policy.

On successful completion you will be able to:

- Value cash flows including single and multiple amounts, annuities, company bonds and shares.
- Evaluate financial information using a spreadsheet.

Class Test

Due: **Week 10**
Weighting: **15%**

In Class Test (ICT) (closed book) will be held in lectures in Week 10. The Class Test will be 50 minutes in duration and will be based on Week 1 to 7 (inclusive) content. This test will be worth 15%. Students must attend the lecture venue in which they are enrolled. Students who fail to attend the test for their enrolled lecture time will be awarded a mark of zero (0) except in cases where a Disruption to Studies application is 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.
- Evaluate financial information using a spreadsheet.

Final Exam

Due: **University Examination Period**
Weighting: **55%**

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.

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.

Delivery and Resources

Learning and Teaching Activities

There are 3 hours of face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial.

The schedule of lecture and tutorial class times is available at: http://www.timetables.mq.edu.au

Lectures

Lectures will be held weekly. Lecture notes will be available in the week of the lecture, at the *iLearn* weekly tabs.

Tutorials

Tutorials will be held weekly, commencing in Week 1. No tutorials are scheduled for Week 10. Tutorials are considered compulsory. Attendance will be recorded and may be considered in instances where Disruption to Studies applications are made or applications are made for withdrawal without penalty.

Tutorial enrolment or change of tutorial can be made through *eStudent* in the first two weeks of the semester. No tutorial changes are allowed after Week 2. Students should check on *eStudent* for their tutorial room, especially as tutorial room allocations may have been changed since time of enrolment. Students should attend only their allocated tutorial.

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

Required Text

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

e-text version (cheapest) ISBN : ISBN : 978-0-7303-0571-2 http://www.wileydirect.com.au/buy/fundamentals-of-corporate-finance-2nd-edition/

The Wileyplus add-on should not be purchased for ACST101.

hardcopy alternative: ISBN : 978-0-7303-0542-2

Technology Used and Required

Calculator

A calculator will be required during the Week 10 *In Class Test (ICT),* 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: x^y or $\wedge$, *1/x* and *log* or *ln* functions, and a memory. Non-programmable financial calculators are permitted but it is not a requirement to use a financial calculator.

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* Tutorials' 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. Students should refer to iLearn for links to obtain free access to Excel software.

Knowledge of Maths

A background of at least HSC General Mathematics or equivalent numerical competency is assumed. A small self-diagnostic online Maths Revision exercise will be available on iLearn in Week 1. The self-diagnostic exercise 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). Students without HSC General Mathematics or equivalent, are best advised to not undertake ACST101 until completing a math unit (MATH123 or ECON131).

Unit Schedule

Week	Topic
1	The Financial System and Interest Rates(Text Ch. 2)
2	Time Value of Money *I* (*TVM I*) (Single Amounts) (Text Ch. 5)
3	Time Value of Money *II (TVM II)* (Multiple Amounts) (Text Ch. 6)
4	*Excel TVM* Functionality (Material provided on *iLearn*)
5	*TVM III* (Mixed Problem-solving) (Material provided on *iLearn*)
6	Bond Valuation (Text Ch. 8)
7	Share Valuation (Text Ch. 9)
	Mid Semester lecture break 15th September to 2nd October
8	Fundamentals of Capital Budgeting (Text Ch. 10)
9	Risk and Return (Text Ch. 7)
10	**In-class Test (ICT)**
11	Raising Capital (Text Ch. 15)
12	Global Financial Crises (material provided on iLearn)
13	Revision & Exam Structure briefing

Learning and Teaching Activities

Lectures

In the lectures we will cover weekly topics, drawing on textbook and additional sources. To succeed in this unit, students are strongly recommended to complete all assigned pre-lecture work, to attend all lectures, and to complete all in-lecture activities.

Tutorials

In tutorials we will apply key fundamental concepts presented in lectures. Therefore, to succeed in this unit, students are strongly recommend to complete (or attempt as directed) all pre-tutorial work, attend all tutorials, actively contribute to team efforts in a substantive manner, and actively participate in the ensuing discussions and presentations.

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

Assessment Policy http://mq.edu.au/policy/docs/assessment/policy_2016.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 (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration

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.

Supplementary Exams

Further information regarding supplementary exams, including dates, is available here http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/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) 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.
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Assessment tasks

- On-Line Quiz (10 in total)
- Excel Assignment

- Class Test
- Final Exam

Learning and teaching activities

- In the lectures we will cover weekly topics, drawing on textbook and additional sources. To succeed in this unit, students are strongly recommended to complete all assigned pre-lecture work, to attend all lectures, and to complete all in-lecture activities.
- In tutorials we will apply key fundamental concepts presented in lectures. Therefore, to succeed in this unit, students are strongly recommend to complete (or attempt as directed) all pre-tutorial work, attend all tutorials, actively contribute to team efforts in a substantive manner, and actively participate in the ensuing discussions and presentations.

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.
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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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