



ACST252

Finance and Financial Reporting

S1 Day 2017

Dept of Applied Finance and Actuarial Studies

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	3
<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

Unit Convenor and Lecturer

Charles Koh

charles.koh@mq.edu.au

Contact via via Dialogues in iLearn

E4A Level 2 East Wing

By appointment

Senior Departmental Administrative Officer

Angela Chow

angela.chow@mq.edu.au

Angela Chow

angela.chow@mq.edu.au

Credit points

3

Prerequisites

Admission to BActStud and 21cp at 100 level or above

Corequisites

Co-badged status

Unit description

This unit equips students to understand corporate financial reporting and corporate finance decision-making. It provides a basic understanding of financial reporting and how to interpret financial statements, and integrates this with corporate financial decisions such as raising finance, determining capital structure including liquidity, paying dividends, and assessing capital investments, in the context of the Australian financial sector. Students will also understand and apply basic theoretical concepts in finance. 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:

Explain 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 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.

Collaborate and actively participate in group presentation 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	Hurdle	Due
<u>Assessed Coursework</u>	10%	No	Throughout

Name	Weighting	Hurdle	Due
Presentation Assignment	15%	No	Throughout
Class Test	15%	No	Week 4
Final Examination	60%	No	Examination Period

Assessed Coursework

Due: **Throughout**

Weighting: **10%**

Tutorial exercises form a critical part in the study process, as they serve to reinforce concepts that are covered in class. Students have often failed a unit as they do not follow a disciplined approach over the session. To this end, students will be required to attend tutorial classes with their attempts. The teaching staff will check during class time that these are satisfactorily attempted.

Tutors will collect exercises on five (5) occasions at the end of class, without prior notice. Marks are awarded for the completeness and evidence that corrections are made as appropriate during class-time.

The homework component will be worth 7.5%, with each submission counting for 1.5%. The remaining 2.5% will be based on your tutorial participation, which may include your engagement and input in class. For example, this may involve providing constructive comments to your peers' presentations and how you interact with your peers by participating in open discussions on relevant issues during the informal part of the tutorial.

On successful completion you will be able to:

- Explain 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 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.

Presentation Assignment

Due: **Throughout**

Weighting: **15%**

This unit encourages students to collaborate in developing an understanding of current affairs relating to the financial markets, applying the concepts into real world problems, and discussing their findings with their peers. Starting from Week 5, students will be presenting in groups of 3-5 on a weekly exercise. Students are highly encouraged to demonstrate their software skills in

preparing their presentation, and to share any useful tips with their peers. The presentation will be graded based on both the presentation style (60%; with a 25% individual component) and the content (40%; with a 25% individual component). You may refer to the marking rubric available on iLearn.

On successful completion you will be able to:

- Explain 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 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.
- Collaborate and actively participate in group presentation to report on an aspect of finance and financial reporting

Class Test

Due: **Week 4**

Weighting: **15%**

A class test focusing on the material taught in Weeks 1 to 3 will be held in the Week 4 lecture. The test will be of 1 hour duration with 5 minutes reading time. Students are allowed to bring a permissible type calculator (refer to "Delivery and Resources" section for more details). You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page may not be returned to you after the examination.

On successful completion you will be able to:

- Explain 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 process of financial reporting and the interpretation of financial reports.

Final Examination

Due: **Examination Period**

Weighting: **60%**

The final examination is a 2 hour assessment (with 10 minutes' reading time) and will cover material from the entire semester, though with more weighting towards material that is not examined in the class test. The paper will comprise a combination of calculation, critical thinking and theoretical questions.

Students are allowed to bring a permissible type calculator (refer to "Delivery and Resources"

section for more details). You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page may not be returned to you after the examination.

On successful completion you will be able to:

- Explain 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 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.

Delivery and Resources

Classroom Delivery

This course will be delivered in a blended learning environment. The traditional approach of turning up to the lecture and expecting to take notes from the lecturer does not apply to this course. The presentation slides of the course material are released in advance for you to read and study prior to attending the class. Class time is devoted to learning activities to link the concepts from the textbook with market practice. **You are advised to bring your portable devices (preferably a notebook rather than a smartphone, or a device with a keyboard) to all classes to ensure you can participate in the activities.**

During the scheduled lecture time, you will be provided a short overview of the key concepts that are covered for the week. The remaining time will be devoted to in-class activities. This may involve online research, group discussions and performing analyses of the financial markets, as well as answering quiz questions to consolidate your knowledge. You are expected to take notes after class and reflect on what you have learnt.

Similarly, for the scheduled tutorials, you will use this time to check your homework exercises and to take the opportunity to clarify any misunderstandings you may have. From Week 3 onwards, a proportion of the class time will be set aside for student presentations. Those who are not presenting are encouraged to ask questions and to provide comments to allow a dialogue to occur.

In summary, your success in this course will be dependent on the amount of input you contribute to your own learning and that of your peers. Attending classes expecting to passively absorb information conveyed to you will result in less enjoyment and you run the risk of performing below your expectations.

Required and Recommended Texts and/or Materials

Text

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

Reference

Financial Management: Principles and Applications, 7th edition. Titman, Martin, Keown and Martin, Pearson Australia, 2016.

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

You are strongly advised to submit most of your work in typed format, preferably in a PDF document. For tasks requiring substantial mathematical working, you may either choose to use MS Equation Editor or to submit a handwritten version of your attempt.

Spreadsheet program

Much of the work that institutions and businesses do in practice involve the use of spreadsheets and other software packages. The increasing role of data in decision-making further emphasises the need for you to become familiar and confident with using such software to perform tasks you will encounter in future. In-class activities will be designed to allow you to develop your MS Excel skills in solving problems. These skills may be tested to a limited extent in the class test and examination. While you will be working with MS Excel and other software packages to solve more sophisticated problems involving data in class, you are required to demonstrate how calculations are performed using pen and paper in the class test and examination.

Unit Schedule

1	Overview: Context of the economy and financial markets, the corporation and its objectives
2	What is accounting and understanding financial statements
3	Financial statement analysis - Ratios
4	Class Test
5	Financial statement analysis - Applications in insurance
6	Risk and return in context of valuation
	Mid-Semester Break
7	Capital structure and cost of capital

8	Valuation of debt and equity instruments
9	Capital budgeting - Methods
10	Capital budgeting - Issues and applications
11	Dividend Policy and Taxation
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

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.businessandconomics.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) 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

Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:

Learning outcome

- Collaborate and actively participate in group presentation to report on an aspect of finance and financial reporting

Assessment task

- Presentation Assignment

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

- Explain 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 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

- Assessed Coursework
- Class Test
- Final Examination

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

- Explain 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 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.
- Collaborate and actively participate in group presentation to report on an aspect of finance and financial reporting

Assessment tasks

- Assessed Coursework
- Presentation Assignment
- Class Test
- Final Examination

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

- Explain 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 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.
- Collaborate and actively participate in group presentation to report on an aspect of finance and financial reporting

Assessment tasks

- Assessed Coursework
- Presentation Assignment
- Class Test
- Final Examination

Changes from Previous Offering

The following changes *inter alia* are made to meet the new requirements per the Assessment Policy (effective from S2 2016):

1. The individual component in the *Presentation Assignment* now constitutes an overall 50% of the unit weighting. With this change, 50% of group work assessment is now allocated to individual performance (*Schedule 2: 2.3*);
2. The hurdle requirement in passing the *Final Examination* is now removed. As the summative assessment tasks constitute at least 75% of the total unit weighting, the fulfilment of unit and program learning outcomes can be achieved without the '*double pass*' requirement (*Schedule 2: 3*);
3. The *Final Examination* duration has been reduced from 3 to 2 hours. (*Schedule 4: 2.1*)