



ACST852

Finance and Financial Reporting

S2 Evening 2017

Dept of Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff

Lecturer and Unit Convenor

Charles Koh

charles.koh@mq.edu.au

Contact via via Dialogues in iLearn

E4A Level 2 East Wing

By appointment

Moderator

Sachi Purcal

sachi.purcal@mq.edu.au

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 corporate finance practice

Demonstrate an understanding of the basic concepts of finance, including risk and return, 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	Hurdle	Due
<u>Class Tests</u>	15%	No	Weeks 3 and 10
<u>Group Assignment</u>	15%	No	Week 11
<u>Final Examination</u>	60%	No	Examination period
<u>Presentations</u>	10%	No	Throughout

Class Tests

Due: **Weeks 3 and 10**

Weighting: **15%**

A class test focusing on the material taught in Weeks 1 to 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.

A class test focusing on the material taught in Weeks 5 to 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, financial instruments, cost of capital, and capital structure

Group Assignment

Due: **Week 11**

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.

In addition to this 15% unit weighting, a further direct assessment on the assignment will be made as a part of the Final Examination. This assignment component in the Final Examination constitutes an overall 15% unit weighting.

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 two 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 corporate finance practice
- Demonstrate an understanding of the basic concepts of finance, including risk and return, 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 corporate finance practice
- Demonstrate an understanding of the basic concepts of finance, including risk and return, 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.

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

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

1	Overview: Context of the financial markets, the corporation and its objectives
2	What is accounting and understanding financial statements
3	Class test, Financial statement analysis - Ratios
4	Financial statement analysis - applications in insurance
5	Risk and return in context of valuation
6	Capital structure and cost of capital
7	Debt and equity instruments
	Semester break
8	Capital project analysis - Methods
9	Capital project analysis: Issues and applications
10	Class test, Business ethics
11	Dividends, taxation and working capital decisions
12	Issues in corporate finance practice
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.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) 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

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, 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 corporate finance practice
- Demonstrate an understanding of the basic concepts of finance, including risk and return, 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 corporate finance practice
- 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

Apart from the minor reordering of topics, 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. A further direct assessment on the Group Assignment is made as a part of the Final Examination. This assignment component in the Final Examination constitutes an overall 15% unit weighting and makes up the 25% of the Final Examination's overall 60% unit weighting.

With this change, 50% of group work assessment is now allocated to individual performance (*Schedule 2: 2.3*);

3. 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*);

4. The *Final Examination* duration has been reduced from 3 to 2 hours. (*Schedule 4: 2.1*)

Changes since First Published

Date	Description
01/09/2017	A typo on the duration of the exam. The final exam should be two hours instead of three.