ACST603

Principles of Finance

City S1 Day 2017

Dept of Applied Finance and Actuarial Studies

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General Information

Unit convenor and teaching staff
Unit Convenor
Gail Curry
gail.curry@mq.edu.au
Contact via gail.curry@mq.edu.au
Consultation hours by mutual agreement. Send an email to the Unit Convenor to arrange a time.

Credit points
4

Prerequisites
Admission to MAccg or MAccg(Adv) or MAcc(Prof)MCom or MActPrac or MBkgFin or MBioBus or MCom or MEc or MIntBus or MIntBusMIntComm or MIntBusMIntRel

Corequisites

Co-badged status

Unit description
This unit aims to provide students with a knowledge and understanding of the principles and techniques underlying theory and practice in corporate finance. Topics include: - basic financial mathematics: interest rates, present values, future values, annuities, perpetuities; - valuation and analysis of debt and equity securities; - methods for investment evaluation and capital budgeting: NPV, IRR, PP; - financial markets and raising finance by issuing new securities; - risk and return, and the cost of capital; - capital structure and dividend policy; - derivative securities: forward, futures and option contracts, and applications to corporate finance; - corporate liabilities and international finance; and - introduction to risk management.

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:

to be able to demonstrate knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets

develop expertise in using excel spreadsheet software to build the financial models and

perform the calculations for security valuation and corporate decision making

demonstrate awareness of different financial instruments and their valuation and usefulness in a Corporate Finance context

be able to explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively

General Assessment Information

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 tasks (not including the final exam mark) will not be addressed.

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

Assessment Tasks

Name	Weighting	Hurdle	Due
Tests 1 & 2	30%	No	Week 3 and Week 8
Assignments 1 & 2	20%	No	Week 6 and Week 10
Final exam	50%	No	Week 13

Tests 1 & 2

Due: **Week 3 and Week 8**
Weighting: **30%**

Test 1 and Test 2 are online quizzes. Test 1, worth 10%, is held in class time in week 3. Test 2, worth 20%, is held in class time in week 8. Further details and any changes will be announced on iLearn.

Extension

No extensions will be granted. Students who have not sat the test 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.

Census date - 26 March 2017

Please use Test 1 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 of 26 March 2017.

On successful completion you will be able to:

- to be able to demonstrate knowledge and understanding of the principles and techniques

underlying theory and practice in Corporate Finance and Capital Markets
- develop expertise in using excel spreadsheet software to build the financial models and perform the calculations for security valuation and corporate decision making
- demonstrate awareness of different financial instruments and their valuation and usefulness in a Corporate Finance context

Assignments 1 & 2

Due: **Week 6 and Week 10**
Weighting: **20%**

Assignment 1: due week 6, Assignment 2: due week 10

Each assignment is worth 10%

The exact date for release and submission of the assignment will be announced on iLearn during the semester. The due date may change from the above. If so we will advise students of the changes.

Submission:

Essay type responses to be submitted online via iLearn / Turnitin. Excel spreadsheet solutions to be submitted electronically via iLearn.

Extension

No extensions will be granted. Students who have not submitted the task 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.

On successful completion you will be able to:

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Final exam

Due: **Week 13**
Weighting: **50%**

This will be a 2 hour invigilated open book online exam conducted in class in week 13.

Extension

No extensions will be granted. Students who have not sat the exam 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.

On successful completion you will be able to:

- to be able to demonstrate knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets
- develop expertise in using excel spreadsheet software to build the financial models and perform the calculations for security valuation and corporate decision making
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Delivery and Resources

Classes

For campus students:

A 3-hour combined lecture / tutorial / computer lab session will be held each week . Normally the lecture part takes up the first 1.5 - 2.0 hours and the tutorial / lab session the last 1.0 - 1.5 hours.

All lecture content and tutorial exercises and solutions will be available on iLearn.

For distance students:

All lecture content and tutorial exercises and solutions will be available on iLearn. This will be available in pdf form and mp4 files.

The timetable for classes can be found on the University web site at:http://www.timetables.mq.edu.au/

There are no prizes for this unit.

Required and Recommended Texts and/or Materials

Textbooks:

The textbook for this unit is "Fundamentals of Corporate Finance" by Parrino et al (**ISBN** 9780730305422). An electronic version of the book is available from Wiley Direct and is cheaper than the paper version. This book covers most but not all of the topics in the unit. The lecture notes will also cover what you need to know. Additional readings may be assigned for the various topics each week. This will either be journal articles, or other materials available on the web or available electronically e.g. via the Macquarie University Library.

Reference Books:

Berk, J and Demarzo, P. Corporate Finance, Pearson (ISBN 9780273756033)

Beninga Principles of Finance with Excel, Oxford (ISBN 978 0 19 975547 9) This book may be used by students to learn about using excel for the various financial calculations involved in the course, during the tutorial / computer lab sessions.

Copeland, Weston and Shastri, Financial Theory and Corporate Policy 4th Edition, Pearson (ISBN 0-321-22353-5)

Grinblatt and Titman, Financial Markets and Corporate Strategy 2nd Edition, McGraw-Hill (ISBN 0-07-229433-7)

Hull, Options, Futures and Other Derivatives 8th Edition, Prentice Hall

Technology Used and Required

Students will require access to the internet to download lecture slides and tutorial solutions.

The assignment and most tutorial exercises will require the use of word processing and/or spreadsheet programs.

In most weeks we will be using excel spreadsheets for the various financial calculations needed. Our classes are held in a computer laboratory and all students will have access to a computer with the required software installed on it.

Students will be instructed in how to use excel for the purposes of the unit.

Students may wish to bring a headset to class so they can view and listen to the mp4 video files of lectures / tutorials / excel demonstrations.

Unit Web Page

Course material is available on the learning management system (iLearn)

Unit Schedule

Please refer to iLearn

Learning and Teaching Activities

Lectures and Tutorials

The unit is taught via lectures, tutorial exercises and the use of spreadsheet software for implementing models and calculations for the purpose of financial decision making. Each lecture is self-contained and structured according to the Unit Schedule which will be posted on iLearn. Students are expected to read the relevant chapters prior to the lecture, so that they are familiar

with the material to be covered. This will greatly enhance your learning experience. Dealing with advanced material in our subject area requires a range of generic skills. This unit aims at developing such skills. The lectures and in particular the assignments and tutorial exercises are tailored to enhance critical analysis, problem-solving and creative thinking, comprehension, computing and writing skills. You should take the time to work on the problem sets, since they will tend to be similar in nature to the problems you see on the test and exam. Solutions will be provided for the assigned selected questions. We cover many examples of financial valuation and decision making problems and how to solve these using spreadsheets. Our approach is one of learning by example and by practicing using excel to solve financial decision making problems.

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/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) 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

- to be able to demonstrate knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets

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Assessment tasks

- Tests 1 & 2
- Assignments 1 & 2
- Final exam

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

- to be able to demonstrate knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets
- develop expertise in using excel spreadsheet software to build the financial models and perform the calculations for security valuation and corporate decision making
- demonstrate awareness of different financial instruments and their valuation and usefulness in a Corporate Finance context
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Assessment tasks

- Tests 1 & 2
- Assignments 1 & 2
- Final exam

Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess,

write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

Learning outcomes

- to be able to demonstrate knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets
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- demonstrate awareness of different financial instruments and their valuation and usefulness in a Corporate Finance context
- be able to explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively

Assessment task

- Assignments 1 & 2

Changes from Previous Offering

There are some changes to the assessment structure. The content of the course is essentially unchanged.

Changes since First Published

Date	Description
23/02/2017	Joint the unit guide for city offering.