



# ACST252

## Finance and Financial Reporting

S1 Day 2019

*Department of Actuarial Studies and Business Analytics*

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## General Information

Unit convenor and teaching staff  
Unit Convenor and teaching staff  
Dr Lindsay Stubbs  
[lindsay.stubbs@mq.edu.au](mailto:lindsay.stubbs@mq.edu.au)  
Please refer to iLearn

Credit points  
3

Prerequisites  
(Admission to BActStud or BActStudBSc or BAppFinBActStud or BActStudBProfPrac) and 12cp 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:

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

Demonstrate an understanding of how 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 Examination mark) will not be addressed.

### Assessment Criteria

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

### Late submission or non-attendance penalties

Tasks 10% or less – 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 special consideration is made and approved.

Tasks above 10% - 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 special consideration is made and approved. No submission will be accepted after solutions have been posted.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Online Quiz</u></a>	0%	No	Friday 15 March 2019
<a href="#"><u>Assignment</u></a>	20%	No	Week 4 and Week 10
<a href="#"><u>Class Test</u></a>	20%	No	Week 7
<a href="#"><u>Final Examination</u></a>	60%	No	Examination period

### Online Quiz

Due: **Friday 15 March 2019**

Weighting: **0%**

This online quiz is to provide early feedback. Please use the quiz 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 successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports.

## Assignment

Due: **Week 4 and Week 10**

Weighting: **20%**

There are two tasks for the assignment and students are required to work individually. The first task is worth 5% and is due in Week 4. The second task is worth 15% and is due in Week 10.

This task must be submitted electronically via iLearn and also a hard copy should be submitted to the Student Service Centre.

More information will be posted on iLearn.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports.
- Demonstrate an understanding of how 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.

## Class Test

Due: **Week 7**

Weighting: **20%**

The class test will be 1.5 hours. Please refer to iLearn for details.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports.
- Demonstrate an understanding of how 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.

## Final Examination

Due: **Examination period**

Weighting: **60%**

A two-hour Final Examination for this unit will be held during the University Examination period.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports.
- Demonstrate an understanding of how 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

Ross, S., Drew, M., Walk, A., Westerfield, R. and Jordan, B. 2017. *Fundamentals of Corporate Finance* (7<sup>th</sup> ed.) N.Ryde, NSW, Australia: McGraw-Hill Education.

The hard copy version is available from Co-op Bookshop (ISBN 9781743762967, this ISBN includes (CONNECT). Contact McGraw-Hill Education directly for assistance with CONNECT technical and content enquiries.

#### Reference

Brealey, R. A., Myers, S.C., Allen, F. 2016. *Principles of corporate finance* (Global edition: 12<sup>th</sup> ed.) McGraw-Hill Education.

Titman, S., Martin, T., Keown, A.J. and Martin, J.D.. 2016. *Financial Management: Principles and Applications* (7<sup>th</sup> ed). Pearson Australia.

### 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 Examination, and the make/model may be recorded.

## Word processing

Students need to have access to word processing software (like Microsoft Word) to complete the Assignment.

## Spreadsheet program

Many of the problems you will encounter in this unit can be solved easily with the spreadsheet program, Microsoft 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: Context of the financial markets, the corporation and its objectives
2	What is accounting and understanding financial statements
3	Financial statement analysis I
4	Financial statement analysis II
5	Risk and return in context of valuation
6	Capital project analysis – methods
7	Class test during the lecture
	<b>Semester break</b>
8	Capital project analysis: Issues and applications
9	Cost of capital
10	Capital structure
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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)

- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Supplementary Exams

Further information regarding supplementary exams, including dates, is available here

<https://students.mq.edu.au/study/my-study-program/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](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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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

### 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

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports.
- Demonstrate an understanding of how 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.

### Assessment tasks

- Online Quiz
- 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

- Demonstrate an understanding of how 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

- Assignment
- Class Test
- Final Examination

## 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 outcome

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

### Assessment task

- Assignment

## Changes from Previous Offering

Besides rearranging the topics, there are some minor changes:

1. The Group Assignment has been replaced by an Individual Assignment.

2. The Final Examination weight has been changed from 55% to 60%.