



# AFIN3053

## Advanced Corporate Finance

Session 2, Special circumstance 2020

*Department of Applied Finance*

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#### 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.

#### Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff

Unit Convenor

Lydia Liu

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Angela Chow

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Credit points

10

Prerequisites

20cp at 2000 level including (AFIN250 or AFIN2050 or AFIN252 or AFIN253 or AFIN2053)

Corequisites

Co-badged status

Unit description

This unit challenges the student to consider a comprehensive set of factors that influence organisations in raising equity, payout policy, investment and finance decisions within a dynamic framework. Students need to be able to appreciate the theoretical and practical implications of the multifaceted nature of corporate finance; the different issues (including flexibility) to be considered, and the different approaches available, in valuing project cash flows; determining capital structure; assessing the costs and benefits of mergers and acquisitions, real options; and the link between corporate governance and finance.

## 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:

**ULO1:** Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.

**ULO2:** Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.

**ULO3:** Analyse the factors that influence companies in their financial decisions.

**ULO4:** Investigate the cost and benefits of mergers and acquisitions and real options.

## General Assessment Information

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

It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 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.

### Late submissions and extensions

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
<u>Online Quiz</u>	5%	No	Week 4
<u>Mid Session Test</u>	20%	No	Week 6
<u>Assignment</u>	25%	No	Week 10
<u>Final Examination</u>	50%	No	During University Examination Period

### Online Quiz

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 1 hours

Due: **Week 4**

Weighting: **5%**

The online quiz will consist of 5 to 10 questions and will be available on iLearn. Please use the quiz result as an indicator of whether you are progressing satisfactorily in the unit.

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.

## Mid Session Test

Assessment Type <sup>1</sup>: Quiz/Test

Indicative Time on Task <sup>2</sup>: 12 hours

Due: **Week 6**

Weighting: **20%**

An online open book mid session test of 60 minutes will be held to give students practice on a summative task and to provide feedback on their progress midway through the session.

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.

## Assignment

Assessment Type <sup>1</sup>: Case study/analysis

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Week 10**

Weighting: **25%**

The assignment will cover quantitative and qualitative analysis of a finance scenario or problem. Students will be required to produce a report of 800 to 1,200 words.

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.
- Investigate the cost and benefits of mergers and acquisitions and real options.

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **During University Examination Period**

Weighting: **50%**

A two hour online open book exam will be held during the University Examination Period.

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.
- Investigate the cost and benefits of mergers and acquisitions and real options.

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<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### Learning and Teaching Activities

The content for each week will comprise of a lecture recording and a set of tutorial questions (Problem Sets).

#### Lectures

A lecture recording will be uploaded each week. Lecture notes will be available on iLearn.

#### Tutorials

Students will need to register to either an on-campus tutorial or an online (Zoom) tutorial. Tutorials are considered compulsory but no marks are allocated. Tutorials will be available for most, but not all weeks of the semester. In weeks where there aren't any live (on-campus or online) tutorials, a recording will be provided to cover the relevant material.

The tutorial schedule will be made available on iLearn.

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 attend their allocated tutorial, but exceptions may occur on a one-off basis. That is, where circumstances prevent you from attending your own tutorial in a given week, you may attend an alternative tutorial if room available.

Students are expected to complete the '*Tutorial Questions*' as a self-directed study activity before attending a tutorial. Additional learning support will be available in tutor consultation times.

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

## Prescribed Text

Berk J. and P. DeMarzo. 2019. Corporate Finance. Global Edition, 5th Edition, Harlow, Pearson Higher Ed USA. ISBN 9781292304151

## Communication Channels

For discussion of subject materials please speak to the lecturer and tutors on iLearn or in consultation.

## Academic Consultation

Staff will be available for academic consultation throughout the session in teaching weeks. A schedule of consultation times and locations will be available on iLearn from Week 2.

## Technology Used and Required

The unit will use an online learning and teaching facility known as iLearn, accessed through the following link <https://ilearn.mq.edu.au/login/>

Students should monitor iLearn content frequently to ensure timely access to announcements, unit material and assessment information.

To complete the Assignment, students will be required to use the Microsoft Excel and Microsoft Word softwares.

Calculators will be allowed in the class tests and the final examination but a clear indication of the steps involved in every calculation must be shown. Non-programmable calculators with no text-retrieval capacity are allowed. Financial calculators are allowed. Calculators that have a full alphabet on the keyboard are not allowed. Graphics calculators are not allowed.

## Unit Schedule

Week	Starting date	Lecture	
1	27/07/2020	Topic 1: DCF and multiples valuation	
2	03/08/2020	Topic 2: Cash flows	
3	10/08/2020	Topic 3: Cost of capital and market efficiency	
4	17/08/2020	Topic 4: Debt and taxes	

5	24/08/2020	Topic 5: Capital budgeting and valuation with leverage	
6	31/08/2020	Mid Session Test	
7	07/09/2020	Topic 6: Raising equity	
Mid-session break			
8	28/09/2020	Topic 7: Payout policy	
9	05/10/2020	Topic 8: Mergers and acquisitions	
10	12/10/2020	Topic 9: Options	
11	19/10/2020	Topic 10: Real options	
12	26/10/2020	Topic 11: Corporate governance	
13	02/11/2020	Final exam 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.*)

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 \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

## 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)

## 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 help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## 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.

## Changes since First Published

Date	Description
22/07/2020	Additional information on Learning and Teaching Activities.