AFIN3053
Advanced Corporate Finance
Session 2, Special circumstances 2021
Department of Applied Finance

Contents

General Information 2
Learning Outcomes 2
General Assessment Information 3
Assessment Tasks 3
Delivery and Resources 5
Unit Schedule 6
Policies and Procedures 7

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
Some on-campus classes have moved online for the first two weeks of Session, before returning to campus in Week 3. If you are studying a unit outside of the primary Session 2 timetable, please contact your teaching staff team for further details.

Some classes/teaching activities cannot be moved online and must be taught on campus. To find out if you are enrolled in one of these classes/teaching activities, you can check to see if your unit is on the list of units with mandatory on-campus classes/teaching activities.

Your Unit Convenor will provide more information via an iLearn announcement when your iLearn unit becomes available.
General Information

Unit convenor and teaching staff
Unit Convenor
Keith Woodward
keith.woodward@mq.edu.au

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://students.mq.edu.au/important-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 (including information about late submissions and extensions) for all assessment tasks will be provided on the unit iLearn site.

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Quiz</td>
<td>5%</td>
<td>No</td>
<td>Fri 27th Aug</td>
</tr>
<tr>
<td>Mid Session Test</td>
<td>20%</td>
<td>No</td>
<td>Fri 1st Oct</td>
</tr>
<tr>
<td>Assignment</td>
<td>25%</td>
<td>No</td>
<td>Refer to iLearn</td>
</tr>
<tr>
<td>Final Examination</td>
<td>50%</td>
<td>No</td>
<td>University Examination Period</td>
</tr>
</tbody>
</table>

Online Quiz

Assessment Type: Quiz/Test
Indicative Time on Task: 1 hours
Due: Fri 27th Aug
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: Quiz/Test
Indicative Time on Task: 12 hours
Due: Fri 1st Oct
Weighting: 20%

A 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 1: Case study/analysis
Indicative Time on Task 2: 20 hours
Due: Refer to iLearn
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 1: Examination
Indicative Time on Task 2: 20 hours
Due: University Examination Period
Weighting: 50%

A two hour 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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1 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 Learning Skills Unit for academic skills support.

2 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 a live lecture which will be recorded 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 for a tutorial. Tutorials are considered compulsory but no marks are allocated. Tutorials will be available for most, but not all weeks of the session. 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 session. **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/](http://www.timetables.mq.edu.au/)
Recommended Text

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/](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 Microsoft Excel and Microsoft Word software.

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

<table>
<thead>
<tr>
<th>Week</th>
<th>Week date (Monday)</th>
<th>Lecture topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26.7.2021</td>
<td>Topic 1: DCF and multiples valuation</td>
</tr>
<tr>
<td>2</td>
<td>2.8.2021</td>
<td>Topic 2: Cash flows</td>
</tr>
<tr>
<td>3</td>
<td>9.8.2021</td>
<td>Topic 3: Cost of capital and market efficiency</td>
</tr>
<tr>
<td>4</td>
<td>16.8.2021</td>
<td>Topic 4: Debt and taxes</td>
</tr>
<tr>
<td>5</td>
<td>23.8.2021</td>
<td>Topic 5: Capital budgeting and valuation with leverage</td>
</tr>
<tr>
<td>6</td>
<td>30.8.2021</td>
<td>Topic 6: Raising Equity</td>
</tr>
<tr>
<td>7</td>
<td>6.9.2021</td>
<td>Topic 7: Payout policy</td>
</tr>
</tbody>
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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 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. 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.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of 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 or if you are a Global MBA student contact 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/](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 Enquiry Service**

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

**Equity 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.

**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.