AFIN2053
Financial Management
Session 1, Special circumstances 2021
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 activities on campus, and most will keep an online version available to those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face 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

<table>
<thead>
<tr>
<th>Unit convenor and teaching staff</th>
<th>Damian Bridge</th>
<th><a href="mailto:damian.bridge@mq.edu.au">damian.bridge@mq.edu.au</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit points</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Prerequisites</td>
<td>50cp at 1000 level or above including ((ACCG100 or ACCG1000 or ACCG106) and (STAT150 or STAT1250 or STAT170 or STAT1170 or STAT171 or STAT1371) and (ACST101 or ACST1001) and (ECON111 or ECON1020))</td>
<td></td>
</tr>
<tr>
<td>Co-badged status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This introductory unit in corporate finance focuses on the financing and investing decisions made by the finance manager of an organisation. While the emphasis is on the theory of the firm, students are also given exposure to current issues affecting corporate finance. Satisfactory completion of the unit equips students with a grasp of the following principals of financial economics: the relation between risk and expected return and the time value of money. The unit also provides an introductory coverage of derivative securities and no arbitrage valuation in the international finance.</td>
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</tr>
</tbody>
</table>

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at [https://students.mq.edu.au/important-dates](https://students.mq.edu.au/important-dates)

## Learning Outcomes

On successful completion of this unit, you will be able to:

- **ULO1**: Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
- **ULO2**: Explain financing and investing decisions made by finance managers.
- **ULO3**: Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- **ULO4**: Apply fundamental analytical techniques in finance to simple real-life problems.
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.

Special consideration

For the Mid Session Test, where special consideration is applied for and approved, students will be given a verbal examination by two members of staff.

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Quizzes</td>
<td>20%</td>
<td>No</td>
<td>All Weeks between 2 and 12 excluding Week 7</td>
</tr>
<tr>
<td>Mid Session Test</td>
<td>20%</td>
<td>No</td>
<td>Week 7</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>No</td>
<td>During Formal Exam Period</td>
</tr>
</tbody>
</table>

Online Quizzes

Assessment Type 1: Quiz/Test
Indicative Time on Task 2: 5 hours
Due: All Weeks between 2 and 12 excluding Week 7
Weighting: 20%

Weekly online quizzes.

On successful completion you will be able to:
• Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
• Apply fundamental analytical techniques in finance to simple real-life problems.

Mid Session Test
Assessment Type ¹: Quiz/Test
Indicative Time on Task ²: 12 hours
Due: Week 7
Weighting: 20%

An open book online mid session test of 90 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:
• Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.

Final Examination
Assessment Type ¹: Examination
Indicative Time on Task ²: 16 hours
Due: During Formal Exam Period
Weighting: 60%

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

On successful completion you will be able to:
• Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
• Apply fundamental analytical techniques in finance to simple real-life problems.

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**

**Classes**

• Students should view the prerecorded lecture each week as well as the appropriate tutorial.
• Online lectures and tutorials will be available each week as well as online consultation.
• Tutorials begin in Week 2 and cover material based on the preceding week’s lecture topic.
• Students should attend online PAL Sessions where necessary to improve their understanding of the material covered.

**Required and Recommended Texts and/or Materials**

**Required Text (source for weekly tutorial questions)**

The textbook will assist you in the weekly quizzes.

Detailed textbook requirements are available on ilearn

**Required Textbook**

• Fundamentals of Corporate Finance, Australian 3rd Edition ISBN : 9780730355175 or 9780730363460 (Fundamentals)

**Recommended Text**

• Fundamentals of Corporate Finance (6th ed.) ISBN 9781743079485 (Ross)
Technology Used and Required

- Financial non-programmable calculators can be used in the unit. A financial calculator is not essential as a scientific non-programmable calculator should meet all your needs (calculation of the Internal Rate of Return (IRR) is not required in any of the assessment tasks). Note: Only non-programmable calculators without text retrieval functionality are allowed for use in the unit’s assessments tasks.
- Students should have access to the internet.

Unit Web Page

- Course material and announcements are available on the learning management system (iLearn).
- Students should check iLearn regularly before each lecture, tutorial and assessment.

Learning and Teaching Activities

The unit is delivered through weekly lectures and tutorial classes. Tutorial questions will mostly be sourced from the required textbook. The question numbers that will be discussed in tutorials will be posted to iLearn each week. Students should attempt these questions before tutorials. Brief answers to the tutorial questions will be posted on iLearn after each week.

To achieve the best possible results students should:

1) View all lectures and tutorial classes.
2) Tutorial questions and problems are assigned from the required text book;
3) Read the assigned chapters of the required text book before attending lectures;
4) Download lecture notes from iLearn, which are available weekly before lectures. Ensure these notes are brought to lectures.
5) Attend PAL sessions where difficulties are experienced.

Unit Schedule

<table>
<thead>
<tr>
<th>Week No.</th>
<th>Date (Week Beginning)</th>
<th>Topic</th>
<th>Chapters (Fundamentals unless stated otherwise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22 February</td>
<td>Introduction to Financial Management and Risk &amp; Return</td>
<td>1 &amp; 5</td>
</tr>
<tr>
<td>2</td>
<td>1 March</td>
<td>Cash Flows &amp; Capital Budgeting</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>8 March</td>
<td>Evaluating Project Economics and Capital Rationing</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>15 March</td>
<td>The Cost of Capital</td>
<td>11</td>
</tr>
</tbody>
</table>
### 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)).

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<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>22 March</td>
<td>Working Capital Management</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>29 March</td>
<td>Capital Structure Policy</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>19 April</td>
<td>Mid Semester Test</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>26 April</td>
<td>Dividends &amp; Dividend Policy</td>
<td>15</td>
</tr>
<tr>
<td>9</td>
<td>3 May</td>
<td>Business Formation Growth &amp; Valuation</td>
<td>16 &amp; 17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic Financial Planning &amp; Forecasting</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>10 May</td>
<td>Derivative Securities</td>
<td>Ch. 18 &amp; Ch. 20 (Ross)</td>
</tr>
<tr>
<td>11</td>
<td>17 May</td>
<td>International Finance</td>
<td>Ch 19 &amp; 5 (Eitman)</td>
</tr>
<tr>
<td>12</td>
<td>24 May</td>
<td>Trade Finance</td>
<td>Ch. 20 (Eun)</td>
</tr>
<tr>
<td>13</td>
<td>31 May</td>
<td>Revision</td>
<td></td>
</tr>
</tbody>
</table>

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https://unitguides.mq.edu.au/unit_offerings/137413/unit_guide/print
Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/admin/other-resources/student-conduct](https://students.mq.edu.au/admin/other-resources/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/](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](http://mq.edu.au/learningskills)
- [Workshops](http://mq.edu.au/learningskills)
- [StudyWise](http://mq.edu.au/learningskills)
- [Academic Integrity Module](http://mq.edu.au/learningskills)

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

- [Subject and Research Guides](http://mq.edu.au/learningskills)
- [Ask a Librarian](http://mq.edu.au/learningskills)

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](mailto: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](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).
The policy applies to all who connect to the MQ network including students.

**Changes from Previous Offering**

Tutorial quizzes are now required on a weekly basis.

Removal of assignment.