



AFIN2053

Financial Management

Session 1, Special circumstances 2021

Department of Applied Finance

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Disclaimer

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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

Unit convenor and teaching staff

Unit Convenor

Damian Bridge

damian.bridge@mq.edu.au

Credit points

10

Prerequisites

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))

Corequisites

Co-badged status

Unit description

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.

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: 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

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

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.
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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 [Writing Centre](#) 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)
- Multinational Business Finance. Pearson Education Australia. 2nd edition ISBN-10:1442525894; ISBN-13:9781442525894 (Eitman)
- International Financial Management: Sixth Edition ISBN-978-0-07-803465-7 (EUN)

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

Week No.	Date (Week Beginning)	Topic	Chapters (Fundamentals unless stated otherwise)
1	22 February	Introduction to Financial Management and Risk & Return	1 & 5
2	1 March	Cash Flows & Capital Budgeting	9
3	8 March	Evaluating Project Economics and Capital Rationing	10
4	15 March	The Cost of Capital	11

5	22 March	Working Capital Management	12
6	29 March	Capital Structure Policy	14
7	19 April	Mid Semester Test	
8	26 April	Dividends & Dividend Policy	15
9	3 May	Business Formation Growth & Valuation Strategic Financial Planning & Forecasting	16 & 17
10	10 May	Derivative Securities	Ch. 18 & Ch.20(Ross)
11	17 May	International Finance	Ch 19 & Ch. 5 (Eitman)
12	24 May	Trade Finance	Ch. 20 (Eun)
13	31 May	Revision	

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). 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](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

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>

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/>

Learning Skills

Learning Skills (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

If you are a Global MBA student contact 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/.

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 from Previous Offering

Tutorial quizzes are now required on a weekly basis.

Removal of assignment.