



# AFCX6016

## Finance Principles

Term 3, Fully online/virtual 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

Dr Fan Yu

[fan.yu@mq.edu.au](mailto:fan.yu@mq.edu.au)

Contact via Email

Credit points

10

Prerequisites

Admission to GradCertFin (OUA)

Corequisites

Co-badged status

Unit description

This unit provides students with the key building blocks of finance within a single unifying conceptual framework. Students will be introduced to three of the key ideas in finance: the analysis of trade-offs over time, asset valuation and risk management. These concepts will then be applied to the following sub-fields of finance: corporate finance, investments, and financial markets and institutions.

## 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:** Explain the role of financial institutions and markets in the economy and evaluate their effectiveness in allocating resources over time and transferring risk.

**ULO2:** Explain and demonstrate how time value of money concepts and discounted cash flow techniques are used in the analysis of financial decisions of individuals and firms.

**ULO3:** Explain and assess the key theories, concepts and models used in asset valuation, risk management, and portfolio theory.

**ULO4:** Apply key theories, concepts and models to develop solutions to problems in asset valuation, risk management, and portfolio theory.

**ULO5:** Explain and assess the key theories and concepts used in the analysis of a firm's financing decision.

## General Assessment Information

### Information - Extension Requests / Penalties

#### Online Participation (20%)

No extensions will be granted. Students who have not submitted the task prior to the due date will be awarded a mark of zero for the task, except for cases in which an application for Special Consideration is made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

#### Online Quizzes (20%)

You are expected to make yourself available for assessment during the relevant quiz window.

Students who do not submit this task by the due date and time receive a result of zero. This penalty does not apply when an application for Special Consideration has been made and approved.

Students who do not attempt the quiz receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

#### Assignments (two worth 10% each)

Students who do not submit this task by the due date and time receive a result of zero. This penalty does not apply when an application for Special Consideration has been made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

#### Final Exam (40%)

Deferral of an examination is not permitted unless an application for Special Consideration is made and approved.

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

[s://students.mq.edu.au/study/my-study-program/special-consideration.](https://students.mq.edu.au/study/my-study-program/special-consideration)

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Online Participation</a>	20%	No	Refer to iLearn
<a href="#">Assignment</a>	20%	No	Refer to iLearn
<a href="#">Online Quizzes</a>	20%	No	Refer to iLearn
<a href="#">Final exam</a>	40%	No	Refer to iLearn

### Online Participation

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 50 hours

Due: **Refer to iLearn**

Weighting: **20%**

Participation in online discussion forums.

On successful completion you will be able to:

- Explain the role of financial institutions and markets in the economy and evaluate their effectiveness in allocating resources over time and transferring risk.
- Explain and assess the key theories, concepts and models used in asset valuation, risk management, and portfolio theory.
- Apply key theories, concepts and models to develop solutions to problems in asset valuation, risk management, and portfolio theory.

### Assignment

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

Indicative Time on Task <sup>2</sup>: 10 hours

Due: **Refer to iLearn**

Weighting: **20%**

Assignment on a unit topic set by the unit convenor.

On successful completion you will be able to:

- Explain and demonstrate how time value of money concepts and discounted cash flow techniques are used in the analysis of financial decisions of individuals and firms.
- Explain and assess the key theories, concepts and models used in asset valuation, risk

management, and portfolio theory.

- Apply key theories, concepts and models to develop solutions to problems in asset valuation, risk management, and portfolio theory.
- Explain and assess the key theories and concepts used in the analysis of a firm's financing decision.

## Online Quizzes

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

Indicative Time on Task <sup>2</sup>: 3 hours

Due: **Refer to iLearn**

Weighting: **20%**

A number of short online topic quizzes.

On successful completion you will be able to:

- Explain and demonstrate how time value of money concepts and discounted cash flow techniques are used in the analysis of financial decisions of individuals and firms.
- Explain and assess the key theories, concepts and models used in asset valuation, risk management, and portfolio theory.
- Apply key theories, concepts and models to develop solutions to problems in asset valuation, risk management, and portfolio theory.

## Final exam

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

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

Due: **Refer to iLearn**

Weighting: **40%**

A 3-hour online exam on all topics covered during the session.

On successful completion you will be able to:

- Explain the role of financial institutions and markets in the economy and evaluate their effectiveness in allocating resources over time and transferring risk.
- Explain and demonstrate how time value of money concepts and discounted cash flow techniques are used in the analysis of financial decisions of individuals and firms.
- Explain and assess the key theories, concepts and models used in asset valuation, risk management, and portfolio theory.
- Apply key theories, concepts and models to develop solutions to problems in asset valuation, risk management, and portfolio theory.

- Explain and assess the key theories and concepts used in the analysis of a firm's financing decision.

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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

### REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

#### Required Text:

The required textbook for this unit is *Finance Principles 3e* published by McGraw-Hill. This is a customised textbook for use in the Finance Principles unit, based on chapters from *Principles of Corporate Finance*, 13th edition by Brealey, Myers, Allen, 2019, McGraw-Hill and *Fundamentals of Corporate Finance*, 10th edition by Brealey, Myers, Marcus, 2019, McGraw-Hill.

- Finance Principles 3e; ISBN: 9781307653373, available at <https://www.mheducation.com.au/ebook-afcp6016-finance-principles-3e-customised-9781307653373-aus>

#### Additional Readings:

- Additional readings are included in iLearn.
- Students should assume these readings are assessable unless otherwise advised.

#### Calculators:

- Financial calculations can be performed in either Excel or a financial calculator.
- If you purchase a financial calculator, it must be able to handle time value of money, logs and power calculations. The Hewlett Packard calculator hp17bII+, Hewlett Packard hp12C-PT and Texas Instruments BA II Plus are suitable for this unit.

#### Assumed Knowledge: Mathematical content

- Finance has a high level of numerate content. Consequently this unit is, in parts, mathematical and arithmetical. The applied nature of this unit means the focus is on application of knowledge rather than complex mathematical derivations. What's important is that you are comfortable working with numbers and are not afraid to use formulas to solve problems in finance.

- The "Essential Maths" document in iLearn can be used to revise your maths skills.

**Assumed Access:** Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy. A recent version of Excel is the preferred choice of spreadsheet.

## TECHNOLOGY USED AND REQUIRED

This is an online unit which will make use of the University's iLearn system.

### Unit's iLearn Site:

- Found by logging on to iLearn [ilearn.mq.edu.au](http://ilearn.mq.edu.au), then clicking on **AFCP6016 Finance Principles**.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Please try to not leave your questions to the last few days.**

### Important:

- It is important that you familiarise yourself with the unit's iLearn site.
- All students should check iLearn regularly and look for updates and distribution of materials related to the unit or assessments and participate in forum discussions.

## Unit Schedule

The following schedule is a guide to the timing of each topic. Details of the required readings are provided in iLearn.

Week	Topic	Date when you should have started working on this topic
0	Topic 0: Essential pre-work	
1	Topic 1: Introduction to finance	
2	Topic 2: Financial markets and institutions	
3	Topic 3: Time value of money	
4	Topic 4: Valuation of financial assets	
5	Topic 4: Valuation of financial assets	

6	Topic 5: Analysing the firm's investment decision	
7	Topic 6: Analysing the firm's financing decision	
8	Topic 7: Risk management	
9	Topic 8: Portfolio theory	
10	Exam preparation	

## 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](https://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.