



AFIN2053

Financial Management

Session 1, In person-scheduled-weekday, North Ryde 2022

Department of Applied Finance

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General Information

Unit convenor and teaching staff

Unit Convenor

Damian Bridge

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Rachel Huang

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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

Late submissions of assessments

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time.

No late submissions will be accepted for timed assessments – e.g., quizzes, online tests.

Table 1: Penalty calculation based on submission time

Submission time after the due date (including weekends)	Penalty (% of available assessment task mark)	Example: for a non-timed assessment task marked out of 30
< 24 hours	10%	10% x 30 marks = 3-mark deduction
24-48 hours	20%	20% x 30 marks = 6-mark deduction
48-72 hours	30%	30% x 30 marks = 9-mark deduction
72-96 hours	40%	40% x 30 marks = 12-mark deduction
> 96 hours	100%	Assignment won't be accepted

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

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>Quizzes</u>	20%	No	See iLearn
<u>Mid Session Test</u>	20%	No	Week 7
<u>Final Examination</u>	60%	No	Formal Exam Period

Quizzes

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 9 hours

Due: **See iLearn**

Weighting: **20%**

There will be up to 10 quizzes held during 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.
- 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%**

A one hour mid session test will be held during 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: **Formal Exam Period**

Weighting: **60%**

A two hour 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 [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

The textbook will assist you in the weekly quizzes. Detailed textbook requirements are available on ilearn.

Required Textbook (source for weekly tutorial questions):

- *Fundamentals of Corporate Finance 4th Edition Print and Interactive E-Text* ISBN : 9780730382577

or

- *Fundamentals of Corporate Finance 4th Edition Interactive Wiley E-Text* ISBN : 9780730382492

Recommended Textbooks:

- *Fundamentals of Corporate Finance, Australian 3rd Edition* ISBN : 9780730355175 or 9780730363460 (*Fundamentals*)
- *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	21 February	Introduction to Financial Management and Risk & Return	1 & 7
2	28 February	Cash Flows & Capital Budgeting	11
3	7 March	Evaluating Project Economics and Capital Rationing	12
4	14 March	The Cost of Capital	13
5	21 March	Working Capital Management	14
6	28 March	Capital Structure Policy	16
7	4 April	<i>Mid Session Test</i>	
8	25 April	Dividends & Dividend Policy	17
9	2 May	Business Formation Growth & Valuation Strategic Financial Planning & Forecasting	18 & 19
10	9 May	Options and Corporate Finance	Ch. 20 & Ch.20(Ross)
11	16 May	International Financial Management	Ch 21 & Ch. 5 (Eitman)
12	23 May	Trade Finance	Ch. 20 (Eun)
13	30 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](#)
- [Assessment Procedure](#)
- [Complaints Resolution 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

Academic Integrity

At Macquarie, we believe [academic integrity](#) – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free [online writing and maths support](#), [academic skills development](#) and [wellbeing consultations](#).

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

The Writing Centre

[The Writing Centre](#) provides resources to develop your English language proficiency, academic writing, and communication skills.

- [Workshops](#)
- [Chat with a WriteWISE peer writing leader](#)
- [Access StudyWISE](#)
- [Upload an assignment to Studiosity](#)
- [Complete the 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

Macquarie University offers a range of [Student Support Services](#) including:

- [IT Support](#)
- [Accessibility and disability support](#) with study
- Mental health [support](#)
- [Safety support](#) to respond to bullying, harassment, sexual harassment and sexual assault
- [Social support including information about finances, tenancy and legal issues](#)

Student Enquiries

Got a question? Ask us via [AskMQ](#), or contact [Service Connect](#).

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

No changes to content or text book.