



AFIN1002

Finance 1B

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

Department of Applied Finance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	6
<u>Policies and Procedures</u>	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.

General Information

Unit convenor and teaching staff

Unit Convenor

Veronica Smith

veronica.smith@mq.edu.au

Keith Woodward

keith.woodward@mq.edu.au

Credit points

10

Prerequisites

ACST101 or ACST1001 or ACST152 or ACST1052 or WACT101 or WACT1001

Corequisites

Co-badged status

Unit description

This unit introduces students to the financial sector, preparing them for more advanced studies in finance, and developing their interest in a career in finance. It explains the theories, principles and methods used in financial decision-making by individuals, financial institutions and companies, and applies them to the real world using current examples and market data. It further explores financial institutions and markets, and other real world considerations that affect financial transactions of individuals, financial institutions, companies and governments in a modern economy. This is an interesting and relevant unit for students intending to undertake further studies in any area of business and economics, and is required for further studies in finance. Students without a background of at least HSC Mathematics (2 Unit) or equivalent are strongly advised to have studied MATH1000 or equivalent prior to enrolling in this unit.

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: Recognise fundamental concepts in corporate finance and investment management.

ULO2: Express financial concepts in mathematical formulas and then applied in valuing equity, debt, property and business projects.

ULO3: Apply financial theory to real world corporate and personal financial decisions.

ULO4: Analyse real financial data to evaluate the well-being of companies.

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.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Online Quiz</u>	5%	No	Fri 11 March 11:55pm
<u>Mid Session Test</u>	20%	No	Week 7
<u>Assignment</u>	25%	No	Sun 15 May 11:55pm
<u>Final Examination</u>	50%	No	University Examination Period

Online Quiz

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 1 hours

Due: **Fri 11 March 11:55pm**

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:

- Recognise fundamental concepts in corporate finance and investment management.

Mid Session Test

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 12 hours

Due: **Week 7**

Weighting: **20%**

A 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:

- Recognise fundamental concepts in corporate finance and investment management.
- Express financial concepts in mathematical formulas and then applied in valuing equity, debt, property and business projects.

Assignment

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 10 hours

Due: **Sun 15 May 11:55pm**

Weighting: **25%**

The assignment will cover quantitative and qualitative analysis of a financial scenario or problem. Students will be required to produce a report of 800 to 1200 words.

On successful completion you will be able to:

- Apply financial theory to real world corporate and personal financial decisions.
- Analyse real financial data to evaluate the well-being of companies.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 16 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:

- Recognise fundamental concepts in corporate finance and investment management.
- Express financial concepts in mathematical formulas and then applied in valuing equity, debt, property and business projects.
- Apply financial theory to real world corporate and personal financial decisions.

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

Learning and Teaching Activities:

The content for each week will comprise a lecture and a set of tutorial questions (Problem Sets).

Students will need to register in a tutorial. Tutorials are considered compulsory but no marks are allocated. 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 all classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

Recommended Text:

Not compulsory, but can be helpful.

Fundamentals of Corporate Finance by Berk, Demarzo, Harford, Ford, and Mollica, published by Pearson. Any edition is fine but the third edition is the latest. A copy of the book is reserved in the library.

Unit Web Page: Course materials are available on iLearn including lecture notes, tutorial questions, answers and readings.

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 of your needs
- Access to Microsoft Excel is required for the assignment
- Students should have access to the internet

Other Recommended Readings:

For students who are looking for other learning resources, the following textbook can be sought, but it's not compulsory:

Corporate Finance (11th Edition) by Ross, Westerfield, Jaffe, and Jordan, published by McGraw Hill.

The Chartered Financial Analyst (CFA) institute also has some useful resources: <https://www.cfainstitute.org/en/events/professional-learning/collection#sort=%40pubbrowsedate%20descending&numberOfResults=25>

Other Course Materials:

Homework:

Homework will be provided on the website FightFinance.com which is maintained by staff. It's free and useful for practicing questions since it provides immediate feedback with the correct solutions.

Unit Schedule

Lecture	Monday date	Topic	Tutorials
1	21 Feb	Investment assets, effective returns and inflation.	None

2	28 Feb	Discounted cash flow and multiples valuation.	Yes
3	7 Mar	Debt valuation, annualised percentage rates and yield curves. Online quiz (5%) due at 11.55pm Friday 11 March.	Yes
4	14 Mar	Cash flows and unlevered project valuation.	Yes
5	21 Mar	Interest tax shields, cost of capital and levered business project valuation.	Yes
6	28 Mar	Return, risk, diversification and Markowitz portfolio theory.	Yes
7	4 Apr	Mid-session test (20%) covering lecture topics 1 to 6 inclusive. See iLearn for scheduled day and time.	None
Recess from Monday 11 Apr to Friday 22 Apr			
8	25 Apr	Capital asset pricing model.	Yes
9	2 May	Market efficiency.	Yes
10	9 May	Capital raising and payout policy. Assignment (25%) due at 11.55pm Sunday 15 May.	Yes
11	16 May	Return distributions.	Yes
12	23 May	Ethics and foreign exchange.	Yes
13	30 May	Revision	Yes

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.