AFIN1002

Finance 1B

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

Department of Applied Finance

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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

<table>
<thead>
<tr>
<th>Submission time after the due date (including weekends)</th>
<th>Penalty (% of available assessment task mark)</th>
<th>Example: for a non-timed assessment task marked out of 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 24 hours</td>
<td>10%</td>
<td>10% x 30 marks = 3-mark deduction</td>
</tr>
<tr>
<td>24-48 hours</td>
<td>20%</td>
<td>20% x 30 marks = 6-mark deduction</td>
</tr>
<tr>
<td>48-72 hours</td>
<td>30%</td>
<td>30% x 30 marks = 9-mark deduction</td>
</tr>
<tr>
<td>72-96 hours</td>
<td>40%</td>
<td>40% x 30 marks = 12-mark deduction</td>
</tr>
<tr>
<td>&gt; 96 hours</td>
<td>100%</td>
<td>Assignment won’t be accepted</td>
</tr>
</tbody>
</table>

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

Assessment Tasks

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

Online Quiz
Assessment Type 1: Quiz/Test

https://unitguides.mq.edu.au/unit_offerings/149972/unit_guide/print
Indicative Time on Task: 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: Quiz/Test
Indicative Time on Task: 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: Case study/analysis
Indicative Time on Task: 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.


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:


The Charted 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

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Monday date</th>
<th>Topic</th>
<th>Tutorials</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21 Feb</td>
<td>Investment assets, effective returns and inflation.</td>
<td>None</td>
</tr>
</tbody>
</table>

https://unitguides.mq.edu.au/unit_offerings/149972/unit_guide/print
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Test/Assignment</th>
<th>Grade Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 Feb</td>
<td>Discounted cash flow and multiples valuation.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>7 Mar</td>
<td>Debt valuation, annualised percentage rates and yield curves. <strong>Online quiz</strong> (5%) due at 11.55pm Friday 11 March.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>14 Mar</td>
<td>Cash flows and unlevered project valuation.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>21 Mar</td>
<td>Interest tax shields, cost of capital and levered business project valuation.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>28 Mar</td>
<td>Return, risk, diversification and Markowitz portfolio theory.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>4 Apr</td>
<td><strong>Mid-session test</strong> (20%) covering lecture topics 1 to 6 inclusive.</td>
<td>See iLearn for scheduled day and time.</td>
<td>None</td>
</tr>
</tbody>
</table>

Recess from Monday 11 Apr to Friday 22 Apr

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Test/Assignment</th>
<th>Grade Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Apr</td>
<td>Capital asset pricing model.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>2 May</td>
<td>Market efficiency.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>9 May</td>
<td>Capital raising and payout policy. <strong>Assignment</strong> (25%) due at 11.55pm Sunday 15 May.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>16 May</td>
<td>Return distributions.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>23 May</td>
<td>Ethics and foreign exchange.</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>30 May</td>
<td>Revision</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Policies and Procedures**

Macquarie University policies and procedures are accessible from Policy Central (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. 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 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.