



# ACST1001

## Finance 1A

Session 1, In person-scheduled-weekday, North Ryde 2023

*Department of Actuarial Studies and Business Analytics*

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## General Information

Unit convenor and teaching staff

Unit Convenor

Keith Woodward

[keith.woodward@mq.edu.au](mailto:keith.woodward@mq.edu.au)

Credit points

10

Prerequisites

Corequisites

Co-badged status

Unit description

This is an introductory unit in finance and is a core part of the first year knowledge base in most programs. Students will examine the roles and interaction of participants in Australia's financial system and apply financial decision making tools to value and evaluate investment and financing opportunities. Students will learn about risk, the importance of cash flows and the various financial instruments traded in global financial markets, risk and regulation. Further, students will develop excel spreadsheet skills used by industry professionals.

## 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 finance in the economy and apply its tools to make financial decisions.

**ULO2:** Explain the concepts of time value of money, risk and return.

**ULO3:** Apply discounted cash flow techniques to the valuation of financial instruments, including bonds, shares and loans.

**ULO4:** Evaluate investment and financing opportunities.

**ULO5:** Apply Excel spreadsheets to evaluate financial decisions.

## General Assessment Information

### Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of '0' will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for [Special Consideration](#).

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Participation</a>	10%	No	Each tutorial
<a href="#">Quizzes</a>	25%	No	5% quiz Friday 17 Mar, 20% quiz Thursday 6 Apr
<a href="#">Assignment</a>	25%	No	Monday 15 May, 11:59am Sydney time
<a href="#">Final Examination</a>	40%	No	University exam period

### Participation

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

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

Due: **Each tutorial**

Weighting: **10%**

Individual participation throughout the unit will be graded and is worth 10%.

On successful completion you will be able to:

- Explain the role of finance in the economy and apply its tools to make financial decisions.
- Explain the concepts of time value of money, risk and return.
- Apply discounted cash flow techniques to the valuation of financial instruments, including bonds, shares and loans.
- Evaluate investment and financing opportunities.

## Quizzes

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

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

Due: **5% quiz Friday 17 Mar, 20% quiz Thursday 6 Apr**

Weighting: **25%**

There are two online quizzes during the session. The first quiz is worth 5% and the second quiz is worth 20%.

On successful completion you will be able to:

- Explain the role of finance in the economy and apply its tools to make financial decisions.
- Explain the concepts of time value of money, risk and return.
- Apply discounted cash flow techniques to the valuation of financial instruments, including bonds, shares and loans.
- Evaluate investment and financing opportunities.

## Assignment

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

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Monday 15 May, 11:59am Sydney time**

Weighting: **25%**

The assignment will cover quantitative and qualitative analysis of a financial scenario or problem.

On successful completion you will be able to:

- Explain the role of finance in the economy and apply its tools to make financial decisions.
- Explain the concepts of time value of money, risk and return.
- Apply discounted cash flow techniques to the valuation of financial instruments, including bonds, shares and loans.
- Evaluate investment and financing opportunities.
- Apply Excel spreadsheets to evaluate financial decisions.

## Final Examination

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

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **University exam period**

Weighting: **40%**

The final examination will be two-hours plus ten-minutes reading time, to be held during the University Examination period.

On successful completion you will be able to:

- Explain the role of finance in the economy and apply its tools to make financial decisions.
- Explain the concepts of time value of money, risk and return.
- Apply discounted cash flow techniques to the valuation of financial instruments, including bonds, shares and loans.
- Evaluate investment and financing opportunities.

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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

### Learning and Teaching Activities

We look forward to seeing you in the weekly lecture (2 hours) and tutorials (1 hour)!

Tutorials start from week 2, lectures start from week 1

#### Lectures

We'll discuss some fascinating finance topics including stock investment, valuation and business projects! Each lecture we'll cover some theory, mathematical formulas and practical examples of how both are applied in the real world and in the exams and assignments that you'll complete.

#### Tutorials

Tutorials are widely regarded as the best learning experience, with small classes led by an expert and enthusiastic teacher. Students should register for a tutorial. Tutorial attendance will be marked and participation assessed. Details will be available on ilearn.

Tutorial enrolment or change of tutorial can be made through *eStudent* in the first two weeks of

the session. Students should attend their allocated tutorial, but exceptions may occur on a one-off basis. That is, where circumstances prevent you attending your own tutorial in a given week, you may attend an alternative tutorial if room is available. Please do **NOT** email the unit convenor or any member of the teaching team regarding changing of registered tutorials. We are unable to do this for you.

Additional learning support will be available during tutor consultation times, and in PAL sessions!

## Recommended Text

Fundamentals of Corporate Finance, 3rd edition. Jonathan Berk, Peter DeMarzo, Jarrad Harford, Guy Ford & Vito Mollica. Pearson Education Limited. ISBN: 9781488611001

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/467I3g/cdi\\_proquest\\_ebookcentral\\_EBC5637846](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/467I3g/cdi_proquest_ebookcentral_EBC5637846)

<https://www.pearson.com/store/p/fundamentals-of-corporate-finance/P200000007870/9780655704324>

*Similar books:*

Fundamentals of Corporate Finance, 3rd Global Edition. Jonathan Berk, Peter DeMarzo, Jarrad Harford. Pearson Education Limited 2014. ISBN: 9781292068169

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/1c87tk9/alma99244660728502171](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/1c87tk9/alma99244660728502171)

Fundamentals of Corporate Finance, 3rd Edition. Robert Parrino. Wiley. ISBN: 9780730355175

[https://multisearch.mq.edu.au/permalink/61MACQUARIE\\_INST/7h5qs5/alma99244739307802171](https://multisearch.mq.edu.au/permalink/61MACQUARIE_INST/7h5qs5/alma99244739307802171)

## Technology Used and Required

### Calculator

A calculator will be required for the various calculations throughout the session, and for the Final Examination.

Scientific calculators need the following minimum functionality:  $x^y$  or  $^x$  functions. Non-programmable financial calculators are permitted too, but unnecessary.

### Software

Students should have access to *Excel* software (version 2013 or more recent),

See <https://students.mq.edu.au/support/technology/service-desk/office-365> for instructions on how to get your free copy of Microsoft Office!

### Knowledge of Maths

A background of HSC General Mathematics or equivalent numerical competency is assumed.

Students requiring assistance with the unit's mathematical elements throughout the term may consult with the *Numeracy Centre* team during appointed hours (no appointment needed). <http://students.mq.edu.au/support/study/numeracy>

Students without HSC General Mathematics or equivalent, are best advised to not undertake ACST1001 until completing a math unit (MATH1000 or ECON1031).

## Unit Schedule

Week	Week date (Monday)	Lecture topic
1	20 Feb	Financial decisions, institutions and investing.
2	27 Feb	Time value of money principles.
3	6 Mar	Tools for financial decisions.
4	13 Mar	Capital budgeting: NPV, IRR and payback period. <b>5% quiz <u>Friday 17 March</u></b>
5	20 Mar	Capital budgeting: Incremental free cash flows.
6	27 Mar	Valuation of bonds and shares.
7	3 Apr	Risk and return. <b>20% quiz <u>Thursday 6 April</u></b>
Mid-session break from Monday 10 Apr to Sunday 23 Apr.		
8	24 Apr	Cost of capital.
9	1 May	Raising capital.
10	8 May	Capital structure policy.
11	15 May	Payout policy. <b>25% Individual assignment due <u>Monday 15 May</u> at 11:59am Sydney time</b>
12	22 May	Special topics.
13	29 May	Final exam 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](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)

## 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 Advocacy](#) provides independent advice on MQ policies, procedures, and processes

## 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/](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

Some fresh and exciting new topics have been included!

## Changes since First Published

Date	Description
16/02/2023	Links fixed