



AFCX6016

Finance Principles

Term 3, Online-flexible 2023

Department of Applied Finance

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General Information

Unit convenor and teaching staff Fan Yu fan.yu@mq.edu.au
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

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
<u>Online Quizzes</u>	20%	No	Refer to iLearn
<u>Assignment</u>	20%	No	Refer to iLearn
<u>Online Participation</u>	20%	No	Refer to iLearn
<u>Final exam</u>	40%	No	Refer to iLearn

Online Quizzes

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 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.

Assignment

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 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 Participation

Assessment Type ¹: Participatory task

Indicative Time on Task ²: 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.

Final exam

Assessment Type ¹: Examination

Indicative Time on Task ²: 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.

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

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, 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	19 June 2023
1	Topic 1: Introduction to finance	26 June 2023
2	Topic 2: Financial markets and institutions	3 July 2023
3	Topic 3: Time value of money	10 July 2023
4	Topic 4: Valuation of financial assets	17 July 2023
5	Topic 4: Valuation of financial assets	24 July 2023
6	Topic 5: Analysing the firm's investment decision	31 July 2023
7	Topic 6: Analysing the firm's financing decision	7 August 2023
8	Topic 7: Risk management	14 August 2023
9	Topic 8: Portfolio theory	21 August 2023
10	Exam preparation	28 August 2023

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 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/.

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.