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**

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Quizzes</td>
<td>20%</td>
<td>No</td>
<td>Refer to iLearn</td>
</tr>
<tr>
<td>Assignment</td>
<td>20%</td>
<td>No</td>
<td>Refer to iLearn</td>
</tr>
<tr>
<td>Online Participation</td>
<td>20%</td>
<td>No</td>
<td>Refer to iLearn</td>
</tr>
<tr>
<td>Final exam</td>
<td>40%</td>
<td>No</td>
<td>Refer to iLearn</td>
</tr>
</tbody>
</table>

**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: Case study/analysis
Indicative Time on Task: 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: Participatory task
Indicative Time on Task: 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: Examination
Indicative Time on Task: 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:


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.
### 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](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) and use the search tool.

### Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Date when you should have started working on this topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Topic 0: Essential pre-work</td>
<td>19 June 2023</td>
</tr>
<tr>
<td>1</td>
<td>Topic 1: Introduction to finance</td>
<td>26 June 2023</td>
</tr>
<tr>
<td>2</td>
<td>Topic 2: Financial markets and institutions</td>
<td>3 July 2023</td>
</tr>
<tr>
<td>3</td>
<td>Topic 3: Time value of money</td>
<td>10 July 2023</td>
</tr>
<tr>
<td>4</td>
<td>Topic 4: Valuation of financial assets</td>
<td>17 July 2023</td>
</tr>
<tr>
<td>5</td>
<td>Topic 4: Valuation of financial assets</td>
<td>24 July 2023</td>
</tr>
<tr>
<td>6</td>
<td>Topic 5: Analysing the firm’s investment decision</td>
<td>31 July 2023</td>
</tr>
<tr>
<td>7</td>
<td>Topic 6: Analysing the firm’s financing decision</td>
<td>7 August 2023</td>
</tr>
<tr>
<td>8</td>
<td>Topic 7: Risk management</td>
<td>14 August 2023</td>
</tr>
<tr>
<td>9</td>
<td>Topic 8: Portfolio theory</td>
<td>21 August 2023</td>
</tr>
<tr>
<td>10</td>
<td>Exam preparation</td>
<td>28 August 2023</td>
</tr>
</tbody>
</table>
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
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.