



# AFIN2053

## Financial Management

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

*Department of Applied Finance*

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### Disclaimer

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## General Information

Unit convenor and teaching staff

Unit Convenor and Lecturer

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Guest Lecturer

Damian Bridge

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Credit points

10

Prerequisites

50cp at 1000 level or above including ((ACCG100 or ACCG1000 or ACCG106) and (STAT150 or STAT1250 or STAT170 or STAT1170 or STAT171 or STAT1371) and (ACST101 or ACST1001) and (ECON111 or ECON1020))

Corequisites

Co-badged status

Unit description

This introductory unit in corporate finance focuses on the financing and investing decisions made by the finance manager of an organisation. While the emphasis is on the theory of the firm, students are also given exposure to current issues affecting corporate finance.

Satisfactory completion of the unit equips students with a grasp of the following principals of financial economics: the relation between risk and expected return and the time value of money. The unit also provides an introductory coverage of derivative securities and no arbitrage valuation in the international finance.

## 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:** Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.



**ULO2:** Explain financing and investing decisions made by finance managers.

**ULO3:** Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.

**ULO4:** Apply fundamental analytical techniques in finance to simple real-life problems.

## 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](#).

### Special consideration

For the Mid-semester test, where special consideration is applied for and approved, students will be given a verbal examination by two members of staff.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Quizzes</u></a>	20%	No	See Course Outline for details - various
<a href="#"><u>Mid Session Test</u></a>	20%	No	Week starting 24 April 2023 (Week 8)
<a href="#"><u>Final Examination</u></a>	60%	No	University Examination Period

### Quizzes

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

Indicative Time on Task <sup>2</sup>: 9 hours

Due: **See Course Outline for details - various**

Weighting: **20%**

There will be up to 10 quizzes held during the session.



On successful completion you will be able to:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply fundamental analytical techniques in finance to simple real-life problems.

## Mid Session Test

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

Indicative Time on Task <sup>2</sup>: 12 hours

Due: **Week starting 24 April 2023 (Week 8)**

Weighting: **20%**

A one hour mid session test will be held during the session.

On successful completion you will be able to:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.

## Final Examination

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

Indicative Time on Task <sup>2</sup>: 16 hours

Due: **University Examination Period**

Weighting: **60%**

A two hour exam will be held during the University Examination Period.

On successful completion you will be able to:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting



corporate finance.

- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply fundamental analytical techniques in finance to simple real-life problems.

<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

See iLearn for details

## Unit Schedule

Topic	Lecture Date	Theme / Topic / Module	Activity	Required Readings
1	23 Feb	Course Overview and Introduction to Corporate Finance	Lecture	Ch. 1
2	2 Mar	Dividend Policy	Lecture Tutorial: Topic 1	Ch.16, 17
3	9 Mar	Capital Structure Decision	Lecture Tutorial: Topic 2	Ch. 16
4	16 Mar	Capital Budgeting 1: Principles and Methods	Lecture Tutorial: Topic 3 Quiz 1: Topic 2	Ch. 9, 10
5	23 Mar	Capital Budgeting 2: Making Investment Decisions	Lecture Tutorial: Topic 4 Quiz 2: Topic 3	Ch. 9, 10, 11 and additional readings



Topic	Lecture Date	Theme / Topic / Module	Activity	Required Readings
6	30 Mar	International Financial Management	Lecture Tutorial: Topic 5 Quiz 3: Topic 4	Ch. 21
7	6 Apr	Derivatives and Risk Management	Lecture Tutorial: Topic 6	Ch. 23, 24, 25
Break				
8	27 Apr	Mid-Semester Exam ( <u>subject to confirmation</u> )	Mid-semester Exam, (No lecture and tutorial)	-
9	4 May	Corporate Acquisition	Lecture Tutorial: Topic 7	Ch. 26
10	11 May	Cost of Capital	Lecture Tutorial: Topic 9 Quiz 4: Topic 7	Ch. 14 and additional readings
11	18 May	Working Capital Management	Guest Lecture Tutorial: Topic 10 Quiz 5: Topic 9	Ch. 18
12	25 May	Trade Finance	Guest Lecture Tutorial: Review of Mid-Semester Exam Quiz 6: Topic 10	-
13	1 Jun	Review	Lecture Tutorial: Practical Exam	-

## 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](http://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.