



# AFIN3053

## Advanced Corporate Finance

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

Keith Woodward

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

Credit points

10

Prerequisites

20cp at 2000 level including (AFIN250 or AFIN2050 or AFIN252 or AFIN253 or AFIN2053)

Corequisites

Co-badged status

Unit description

This unit challenges the student to consider a comprehensive set of factors that influence organisations in raising equity, payout policy, investment and finance decisions within a dynamic framework. Students need to be able to appreciate the theoretical and practical implications of the multifaceted nature of corporate finance; the different issues (including flexibility) to be considered, and the different approaches available, in valuing project cash flows; determining capital structure; assessing the costs and benefits of mergers and acquisitions, real options; and the link between corporate governance and 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:** Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.

**ULO2:** Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.

**ULO3:** Analyse the factors that influence companies in their financial decisions.

**ULO4:** Investigate the cost and benefits of mergers and acquisitions and real options.

**ULO5:** Work collaboratively within a team to prepare a business valuation.

## 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="#">Online Quiz</a>	5%	No	Friday 17 Mar, 45 mins, start between 12:00 and 23:10
<a href="#">Group Assignment</a>	25%	No	Individual Mon 17 Apr, Group Mon 15 May at 23:59
<a href="#">Mid Session Test</a>	20%	No	Wednesday 26 Apr, from 11:30 to 12:30 Sydney time
<a href="#">Final Examination</a>	50%	No	University exam period

### Online Quiz

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

Indicative Time on Task <sup>2</sup>: 1 hours

Due: **Friday 17 Mar, 45 mins, start between 12:00 and 23:10**

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:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.

## Group Assignment

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

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

Due: **Individual Mon 17 Apr, Group Mon 15 May at 23:59**

Weighting: **25%**

The assignment will involve group work (including a case study and presentation) worth 15% and an individual task (separate spreadsheet case study) worth 10%.

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.
- Investigate the cost and benefits of mergers and acquisitions and real options.
- Work collaboratively within a team to prepare a business valuation.

## Mid Session Test

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

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

Due: **Wednesday 26 Apr, from 11:30 to 12:30 Sydney time**

Weighting: **20%**

A mid session test of 60 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:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.

## Final Examination

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

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

Due: **University exam period**

Weighting: **50%**

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

On successful completion you will be able to:

- Interpret market data and accounting reports and identify suitable valuation techniques to conduct asset valuation.
- Examine alternative quantitative approaches available in corporate finance in valuating companies and/or projects.
- Analyse the factors that influence companies in their financial decisions.
- Investigate the cost and benefits of mergers and acquisitions and real options.

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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

The content for each week will comprise a live lecture which will be recorded, a set of readings and tutorial questions.

#### Lectures

A lecture recording will be uploaded each week where readings and case studies are discussed.

#### Tutorials

Students will need to register for a tutorial. Tutorials are considered compulsory but no marks are allocated. Tutorials will be available for most, but not all weeks of the session. In weeks where there aren't any live (on-campus or online) tutorials, a recording will be provided to cover the relevant material.

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 classes can be found on the University web site at: [Timetable 2023](#)

## Recommended Text (not compulsory to buy)

Berk J. and P. DeMarzo. 2019. *Corporate Finance. Global Edition, 5th Edition*, Harlow, Pearson Higher Ed USA. ISBN 9781292304151

## Communication Channels

For discussion of subject materials please speak to the lecturer and tutors on iLearn or in consultation.

## Academic Consultation

Staff will be available for academic consultation throughout the session in teaching weeks. A schedule of consultation times and locations will be available on iLearn from Week 2.

## Technology Used and Required

The unit will use an online learning and teaching facility known as iLearn, accessed through the following link <https://ilearn.mq.edu.au/login/>

Students should monitor iLearn content frequently to ensure timely access to announcements, unit material, and assessment information.

To complete the assignment, students will be required to use Microsoft Excel and Microsoft Word software.

Calculators will be allowed in the class tests and the final examination but a clear indication of the steps involved in every calculation must be shown. Non-programmable calculators with no text-retrieval capacity are allowed. Financial calculators are allowed. Calculators that have a full alphabet on the keyboard are not allowed. Graphics calculators are not allowed.

## Unit Schedule

Week	Week date (Wednesday)	Lecture topic
1	22 Feb	Topic 1: Terminal values using multiples and perpetuities. Inflation-linked bonds (ILB's) and other market-based valuation inputs.

2	1 Mar	Topic 2: Bottom-up analysis: cash flows, profits and balance sheets. Integrated pro-forma financial statement modeling using spreadsheets.
3	8 Mar	Topic 3: Debt, taxes, capital budgeting and valuation with leverage.
4	15 Mar	Topic 4: Examples of analysts' models and reports. <b>Online quiz <u>Friday 17 Mar</u>, 45 mins, start between 12:00 and 23:10 Sydney time</b>
5	22 Mar	Topic 5: Top-down analysis.
6	29 Mar	Topic 6: Raising equity.
7	5 Apr	Topic 7: Payout policy.
Mid-session break from Monday 10 Apr to Sunday 23 Apr. <b>Individual spreadsheet valuation worth 10% due <u>Monday 17 Apr</u> at 23:59 Sydney time</b>		
8	26 Apr	<b>Mid session test <u>Wednesday 26 Apr</u>, from 11:30 and 12:30 Sydney time.</b>
9	3 May	Topic 8: Mergers and acquisitions.
10	10 May	Topic 9: Options. <b>Group presentation recording worth 15% due <u>Monday 15 May</u> at 23:59 Sydney time</b>
11	17 May	Topic 10: Real options.
12	24 May	Topic 11: Corporate governance.
13	31 May	Final exam revision.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.s.mq.edu.au\)](https://policies.s.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.