AFIN3053
Advanced Corporate Finance
Session 1, In person-scheduled-weekday, North Ryde 2024

Department of Applied Finance

Contents

General Information 2
Learning Outcomes 2
General Assessment Information 3
Assessment Tasks 3
Delivery and Resources 5
Unit Schedule 6
Policies and Procedures 7
Changes since First Published 9

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General Information

Unit convenor and teaching staff
Keith Woodward
keith.woodward@mq.edu.au
See ilearn

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid Session Test</td>
<td>20%</td>
<td>No</td>
<td>Wednesday 1 May, start at 9:30am, finish at 10:30am</td>
</tr>
<tr>
<td>Group Assignment</td>
<td>30%</td>
<td>No</td>
<td>Individual: Monday 22 Apr. Group: Monday 13 May, both 23:59</td>
</tr>
<tr>
<td>Final Examination</td>
<td>50%</td>
<td>No</td>
<td>See central exam timetable when available</td>
</tr>
</tbody>
</table>

Mid Session Test

Assessment Type: Quiz/Test
Indicative Time on Task: 15 hours
Due: Wednesday 1 May, start at 9:30am, finish at 10:30am
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.
Group Assignment

Assessment Type: Case study/analysis
Indicative Time on Task: 25 hours
Due: Individual: Monday 22 Apr. Group: Monday 13 May, both 23:59
Weighting: 30%

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.

Final Examination

Assessment Type: Examination
Indicative Time on Task: 25 hours
Due: See central exam timetable when available
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.

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.
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.

#### Recommended Text (not compulsory to buy)

#### 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/](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**

<table>
<thead>
<tr>
<th>Week</th>
<th>Week date (Wednesday)</th>
<th>Lecture topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21 Feb</td>
<td>Topic 1: Terminal values using multiples and perpetuities. Inflation-linked bonds (ILB's) and other market-based valuation inputs.</td>
</tr>
<tr>
<td>2</td>
<td>28 Feb</td>
<td>Topic 2: Bottom-up analysis: cash flows, profits and balance sheets. Integrated pro-forma financial statement modeling using spreadsheets.</td>
</tr>
<tr>
<td>3</td>
<td>6 Mar</td>
<td>Topic 3: Debt, taxes, capital budgeting and valuation with leverage.</td>
</tr>
<tr>
<td>4</td>
<td>13 Mar</td>
<td>Topic 4: Examples of analysts' models and reports.</td>
</tr>
<tr>
<td>5</td>
<td>20 Mar</td>
<td>Topic 5: Top-down analysis.</td>
</tr>
<tr>
<td>6</td>
<td>27 Mar</td>
<td>Topic 6: Raising equity.</td>
</tr>
<tr>
<td>7</td>
<td>3 Apr</td>
<td>Topic 7: Payout policy.</td>
</tr>
<tr>
<td>8</td>
<td>10 Apr</td>
<td>Topic 8: Mergers and acquisitions.</td>
</tr>
</tbody>
</table>

Mid-session break from Monday 15 April to Sunday 28 April. **Individual spreadsheet valuation worth 15% due Monday 22 Apr at 23:55 Sydney time**

<table>
<thead>
<tr>
<th>Week</th>
<th>Week date (Wednesday)</th>
<th>Lecture topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>1 May</td>
<td>Mid session online test worth 20% on Wednesday 1 May, start at 9:30am, finish at 10:30am Sydney time. No lecture scheduled. Tutorials runs as normal.</td>
</tr>
<tr>
<td>10</td>
<td>8 May</td>
<td>Topic 9: Options.</td>
</tr>
<tr>
<td>11</td>
<td>15 May</td>
<td>Topic 10: Real options. <strong>Group presentation recording worth 15% due Monday 13 May at 23:59 Sydney time</strong></td>
</tr>
<tr>
<td>12</td>
<td>22 May</td>
<td>Topic 11: Corporate governance.</td>
</tr>
<tr>
<td>13</td>
<td>29 May</td>
<td>Final exam revision.</td>
</tr>
</tbody>
</table>
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 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.
## Changes since First Published

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/02/2024</td>
<td></td>
</tr>
<tr>
<td>18/02/2024</td>
<td></td>
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</table>

Unit information based on version 2024.02 of the [Handbook](https://unitguides.mq.edu.au/unit_offerings/162561/unit_guide/print).