ACST6003

Principles of Finance

Session 2, In person-scheduled-weekday, North Ryde 2026

Department of Actuarial Studies and Business Analytics

Contents

General Information

Unit convenor and teaching staff
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Credit points
10

Prerequisites

Corequisites

Co-badged status

Unit description
This unit aims to provide students with a knowledge and understanding of the principles and techniques underlying theory and practice in corporate finance. Topics include: basic financial mathematics: interest rates, present values, future values, annuities, perpetuities; valuation and analysis of debt and equity securities; methods for investment evaluation and capital budgeting: Net Present Value (NPV), Internal Rate of Return (IRR), Payback Priod (PP); business organisation and taxation, financial markets and raising finance; tradeoff between risk and return, the cost of capital and capital structure; dividend policy and company valuation; corporate liabilities and international finance; bond valuation and term structure; statistical concepts and risks; fixed income bonds and amortisation; introduction to risk management, application of financial mathematics concepts using MS Excel based activities within a corporate finance context.

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: Exhibit knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets.

ULO2: Develop expertise in using spreadsheet software to build financial models and perform calculations for security valuation and corporate decision making.

ULO3: Be aware of different financial instruments and their valuation and usefulness in a Corporate Finance context.

ULO4: Explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively.

General Assessment Information

Late Submission Penalties If you submit your assessment late, 5% of the total possible marks will be deducted for each day (including weekends), up to 7 days. Submissions that are more than 7 days late will receive a mark of 0.

Example 1 (out of 100): If you score 85/100 but submit 20 hours late, you will lose 5 marks and receive 80/100.

Example 2 (out of 30): If you score 27/30 but submit 20 hours late, you will lose 1.5 marks and receive 25.5/30.

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 (https://students.mq.edu.au/study/assessmentexams/special-consideration).

Assessment Tasks

Name	Weighting	Hurdle	Due	Groupwork/Individual	Short Extension	AI Approach
Skills development: Financial problem solving	20%	No	Week 6	Individual	No	Observed
Professional practice: Financial models applications	30%	No	13/10/2026	Individual	Yes	Open
Formal examination	50%	No	Exam Period	Individual	No	Observed

Skills development: Financial problem solving

Assessment Type [1]: Problem-based task
Indicative Time on Task [2]: 15 hours
Due: **Week 6**
Weighting: **20%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is to develop an understanding of Financial concepts, theory and techniques and how they can be applied to solve practical problems in Finance.

You will complete a set of questions requiring both calculation and theoretical questions. It will be based on material covered in previous lectures prior to the submission deadline.

Skills in focus:

- Work readiness
- Critical thinking and problem solving
- Discipline knowledge

Deliverable(s): Short written answer and/or multiple choice questions on problem set submission showing full working

Individual assessment

On successful completion you will be able to:

- Exhibit knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets.
- Be aware of different financial instruments and their valuation and usefulness in a Corporate Finance context.
- Explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively.

Professional practice: Financial models applications

Assessment Type [1]: Professional task
Indicative Time on Task [2]: 20 hours
Due: **13/10/2026**
Weighting: **30%**
Groupwork/Individual: Individual
Short extension [3]: Yes
AI Approach: Open

The purpose of this assessment is for you to develop solutions to finance-related and non-financial business problems within a corporate context.

You will identify appropriate financial models, determine why and when to apply them, and use tools such as financial databases, Excel, and AI models to produce a report with comments/recommendations to enhance financial decision-making.

Skills in focus:

- Critical thinking and problem solving
- Digital skills
- Discipline knowledge

Deliverable(s): Written Report

Individual assessment

On successful completion you will be able to:

- Exhibit knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets.
- Develop expertise in using spreadsheet software to build financial models and perform calculations for security valuation and corporate decision making.
- Be aware of different financial instruments and their valuation and usefulness in a Corporate Finance context.
- Explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively.

Formal examination

Assessment Type [1]: Examination
Indicative Time on Task [2]: 10 hours
Due: **Exam Period**
Weighting: **50%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for you to demonstrate the expertise, skills and knowledge you have gained in Finance Principles that focuses on demonstrating financial literacy skills to improve financial decision making .

You will participate in a 2-hour exam held during the University Examination period. Important information about the exam will be made available on the unit iLearn page. Students should also review the MQ Exams website for general tips.

Deliverable(s): Formal exam

Individual assessment

On successful completion you will be able to:

- Exhibit knowledge and understanding of the principles and techniques underlying theory and practice in Corporate Finance and Capital Markets.
- Develop expertise in using spreadsheet software to build financial models and perform calculations for security valuation and corporate decision making.
- Be aware of different financial instruments and their valuation and usefulness in a Corporate Finance context.

- Explain the concepts covered in the course in a clear and concise manner and be able to communicate it to others effectively.

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[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
- Academic Success 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.

[3] An automatic short extension is available for some assessments. Apply through the Service Connect Portal.

Delivery and Resources

Classes: 3.5 hours of teaching per week consisting of: 1 x 2 hours lecture and 1 x 1.5 hours tutorial/practical class. • Lecture slides/notes, tutorial and any other additional materials on ilearn are the required materials and will be posted on the ilearn before each week of teaching conetnt.

• Relevant references will be provided in Lectures and/or on the ilearn page.

• Passing the Unit - Students must obtain a mark of 50% to pass the unit. There are no other hurdle requirements for this unit. Textbooks Prescribed Textbook

• The textbook for this unit is Fundamentals of Corporate Finance by Parrino et al, 5th Edition (ISBN: 9781394390793). An electronic version of the book is available from Wiley Direct and is cheaper than the paper version:

https://www.wileydirect.com.au/blog/buy/fundamentals-of-corporate-finance-5th-edition/

• This book (covers most but not all of the topics in the unit. The lecture notes will also cover what you need to know. Additional readings may be assigned for the various topics each week. This will either be journal articles, or other materials available on iLearn, web link, or available electronically e.g. via the Macquarie University Library).

Unit Schedule

Week	Week beginning	Topic	Book Chapter	Assessment Due
1	27-July	Introduction to Business Organisations and Taxation	Ch. 1 – 3	
2	3-August	Time Value of Money and Interest Rates	Ch. 5 & additional material	

3	10-August	Valuation of Multi-Payment Cash Flows	Ch. 6	
4	17-August	Risk and return	Ch. 7	
5	24-August	Bond Valuation and the Structure of Interest Rates	Ch. 8 & additional material	
6	31-August	**Problem-based task during Seminar** **NO Lecture**		**Problem-based task** **DUE DURING SEMINAR CLASS**
7	7-September	Share Valuation	Ch. 9 & additional material	
8	14-September	The Fundamentals of Capital Budgeting	Ch. 10 & additional material	
Recess	21-September	Recess	Recess	Recess
Recess	28-September	Recess	Recess	Recess
9	5-October	Cash Flows and Capital Budgeting	Ch. 11	
10	12-October	Evaluation Project Economics and Capital Rationing	Ch. 12	**Professional task DUE 17 OCTOBER**
11	19-October	The Cost of Capital	Ch. 13	
12	26-October	Capital Structure Policy	Ch. 16	
13	2-November	Revision		

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 connect.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/

Academic Success

Academic Success provides resources to develop your English language proficiency, academic writing, and communication skills.

- Ask a Study Coach
- 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 the Service Connect Portal, or contact Service Connect.

IT Help

For help with University computer systems and technology, visit https://students.mq.edu.au/support/technology/service-desk.

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.

Unit information based on version 2026.04 of the Handbook