



AFIN312

Issues in Corporate Finance

S1 Evening 2017

Dept of Applied Finance and Actuarial Studies

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Disclaimer

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General Information

Unit convenor and teaching staff

Unit convenor

Lorenzo Casavecchia

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Consultation: Refer to iLearn

Teaching assistant

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Credit points

3

Prerequisites

ACCG350 or AFIN352 or AFIN353

Corequisites

Co-badged status

Unit description

This is the Capstone unit for the Bachelor of Commerce (Finance) program. This unit comprises of a series of seminars by industry professionals accompanied by a case study. Students are given a hands-on research project based on a case study and are expected to submit a report, followed up with a presentation. Towards the end of the semester, students will present their work to a cohort of fellow students and industry experts, including those professionals who deliver the seminar lectures.

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:

Analyse the stages of a buy side acquisition from strategy and value identification,

through due diligence and board approval, to funding and bid submission.

Apply research and analytical techniques to a potential transaction and derive a bid proposal for submission to a vendor.

Understand the roles and activities of advisors to a buy-side transaction and how they work together.

Investigate financial modelling tools and approaches applied in practice to a buy side acquisition.

Develop interview skills and presentation techniques regularly applied by industry professionals.

General Assessment Information

This subject will be based on one case study with individual and group components. The industry partners delivering the material will be available to take questions at the end of each lecture. Questions regarding the assessments should also be brought to the lectures.

Questions may be posted on the iLearn course page however these will only be answered by the academic staff. Questions for the guest lecturers should be brought to the lectures. The opportunity to post queries to the academic staff will close 5 days before the assignment due date. Students will be able to continue posting on the thread but the questions will not be answered by the academic staff. You are free to discuss matters amongst yourselves.

Please read the assignment questions carefully and start planning early. Replies to online posts and emails will be responded to within 48 hours however we will only be responding to them during work hours and not on weekends. Repeated questions will not be answered so please read the previous posting carefully.

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

Any emails after the completion of the final assessment might not be responded to if the student claims to have not fared well or if the student requests the outcome of the final grade prior to the official release of grades by the university. Any grade appeals and review of assessments should be done via the appropriate channels.

Standardized Numerical Grade

“A Standardised Numerical Grade (SNG) gives you an indication of how you have performed within the band for your descriptive grade. The SNG is not a mark, and you may not be able to work it out based on your raw examination and other assessment marks. Nor are you able to determine you are “one mark away” from a different grade.”

Grade Book

It is the responsibility of students to view their marks for each within session assessment on iLearn within 20 working days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment marks (not including the final exam mark) will not be addressed.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class Participation</u>	20%	No	Ongoing during the semester
<u>Presentation</u>	20%	No	TBA
<u>Major Project</u>	40%	No	5:00pm Monday, 5 June 2017
<u>Role-based Interviews</u>	20%	No	4 May 2017

Class Participation

Due: **Ongoing during the semester**

Weighting: **20%**

Students will be progressively assessed on their class participation at lectures as well as on their level of engagement with their team.

On successful completion you will be able to:

- Analyse the stages of a buy side acquisition from strategy and value identification, through due diligence and board approval, to funding and bid submission.
- Apply research and analytical techniques to a potential transaction and derive a bid proposal for submission to a vendor.
- Understand the roles and activities of advisors to a buy-side transaction and how they work together.
- Investigate financial modelling tools and approaches applied in practice to a buy side acquisition.

Presentation

Due: **TBA**

Weighting: **20%**

A gala night will be held where students, in their teams, will present their bid to the guest lecturers who will be adopting the role of vendors (sellers). Essentially, the aim is for each team to convince the vendor to accept their buyers bid in preference to the bids presented by the other teams.

During the presentation, the vendors may ask questions about components of the bid and students should be prepared to answer questions that are relevant to their specific role that they focussed on in their candidate interview.

In addition to being able to demonstrate a thorough understanding of the transaction and a compelling argument for their bid, presentations that are energetic, engaging and creative will be marked higher. There is no prescribed formula or method for the presentations and students are encouraged to be creative.

Further information about the presentation and the tools available will be provided by the guest lecturers.

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Major Project

Due: **5:00pm Monday, 5 June 2017**

Weighting: **40%**

The aim of the major project is for students to assemble a bid document setting out their rationale, bid price and funding plan for a proposed acquisition. Projects are to be submitted on an individual basis.

Students will work in teams of 5 with each team member adopting an area of focus in line with their candidate interview and in readiness for answering relevant questions at the final presentation.

Whilst students will work in teams and will derive a common bid price, students must prepare their major project on an individual basis. It is expected that students develop sufficient understanding of ALL elements of the transaction/bid such that they can discuss and demonstrate understanding of each component of the bid in their own project, in their own words.

The structure of the major project follows the structure of the lecture topics. Further information about the major project will be discussed by the guest lecturer and any additional information will be communicated via an iLearn announcement.

If the project demonstrates extensive work but is poorly written, then students will lose marks.

Students will need to submit a soft copy of their written project via the Turnitin link provided on the course page in iLearn and the MS Excel component via the special link also provided in the iLearn space. Student's assessment and the mark will be returned to via Grade Mark within the course's iLearn space.

Please see the conditions relating to submission the General Assessment Information section of the course outline.

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Role-based Interviews

Due: **4 May 2017**

Weighting: **20%**

The lectures 1 – 6 will be delivered by specialists in different advisory roles within professional

services firm, who work together on a transaction. These are representative of roles in specific lines of service that a student might fulfil as a graduate in an advisory firm. Having had the opportunity to experience key aspects of these roles/service lines during lectures 1 – 6, students will each be asked to select a role/line of service to research further.

As part of interview preparation, students should complete CFA Institute Standard III—Duties to Clients (Ethics and Standards of Practice Module 3) from the CFA website and upload the completion report to iLearn (please refer to: <https://www.cfainstitute.org/learning/products/onlinelearning/Pages/61587.aspx?WPID=BrowseProducts>)

Students will undertake a mock candidate interview for a graduate role in their nominated line of service. The 20% mark will be allocated based on the student's ability to answer questions that demonstrate their understanding of:

1. The practical application of that role/line of service in a buy side transaction;
2. An example of the work of that role being applied (either actual or hypothetically) to a current real-life transaction/event that is in the news; and
3. How that line of service may work with other lines of service.
4. How the student's approach and learnings in AFIN312 may benefit the proposed employer.
5. How students may apply any of CFA Standard III to the transaction related to loyalty, prudence, and care; fair dealing; suitability; performance presentation; and preservation of confidentiality.

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Delivery and Resources

Classes

Lecture: **C5C T1 Theatre, Thursday 6:00 – 9:00 pm** (please refer to <https://timetables.mq.edu.au/2017/>)

The campus map can be downloaded from the following link http://www.ofm.mq.edu.au/maps_campus.html

Classes in AFIN312 are composed of 3-hour lectures. Lectures will include material relevant to developing the major project as well an opportunity for students to enhance their soft skills required for effective candidate interviews and the final presentation components of the assessment.

Learning outcomes will be achieved by students attending lectures, participating in class discussion, engaging in their teams and through independent learning.

It is important that students attend lectures as the material provided and concepts covered in each lecture will build from week to week as the case study develops.

The lectures provide the main guidance for the unit by highlighting a number of concepts and techniques as well as the opportunity for students to ask questions as they progress through the transaction and develop their bid document further each week.

This course mimics a real world, buy side transaction and students should continuously reflect on different areas of finance they have covered in previous courses as many will be relevant to this program and are important for the finance industry.

The lecture recording (audio and video) will be available via ECHO360 (approximately 1 hr after the end of the lecture). Please see the ECHO360 link in your course iLearn page.

Required and Recommended Texts and/or Materials

There are no required or recommended texts for AFIN312. Notes for each of the lectures will be made available in iLearn. If required, additional readings will also be provided either via iLearn and eReserve.

Technology Used and Required

iLearn is an online program available at <https://ilearn.mq.edu.au/login/MQ/> through which students will be able to access resources such as lecture notes and iletures to assist them throughout the semester. The discussion forum environment will be extensively used to allow students to interact with each other.

Unit Web Page

Course material is available on the learning management system at <http://ilearn.mq.edu.au>

You are strongly encouraged to regularly visit the website and use it as a resource centre to assist with your learning.

If you are unable to access the website because you are not aware of or have forgotten your username and password, please contact the IT helpdesk. All information can be found at <http://informatics.mq.edu.au/help/>

With regards to assistance in using iLearn please visit the following link.

http://www.mq.edu.au/iLearn/student_info/index.htm

You can follow the tabs on the left, i.e., “Getting Started” and “Access iLearn”

Please remember to log out when you have finished using iLearn. Failure to do so could result in unauthorised access to your iLearn account.

Learning and Teaching Activities

The teaching strategy in AFIN312 recognises that students learn independently and assume responsibility for the learning process and with academic integrity.

Students are expected to participate in the unit by attending lectures, reading the provided material and thoroughly revising the lecture notes. You are also expected to use the full suite of research databases available from the library. This includes reference to journal articles and industry reports.

What we aim to achieve in AFIN312 is deep (as opposed to the surface) learning. Thus, learning is interpreted as making sense or abstracting meaning. Learning involves relating parts of the subject matter to each other and to the real world. Further learning is understood as comprehending the world by understanding and reinterpreting knowledge.

This unit also gives you the opportunity to go beyond your discipline and exposes you to different areas of finance, including understanding how corporate finance deals take place. Besides applying your finance knowledge you will also learn how a due diligence process takes place for example in a merger and acquisition transaction.

Unit Schedule

Week 1	Course Overview and Graduate Recruitment Info Session: Assessment structure; formation of teams and individual roles; introduce case study; overview of a deal process; PwC Graduate Recruitment info session.
Week 2	Financial Modelling Fundamentals, Tips and Tricks: Preparing to build the financial model that will support your bid. Practical phases and vendor/target interactions. Best practice, tips, analysis tools and techniques for building great models.
Week 3	Economic Benefit and Strategic Rationale of the Investment: Investment case development and the approval process. The investment case will describe the infrastructure options for the area and explore the strategic narrative that supports the investment in the area.
Week 4	Buy-side Financial Due Diligence: Undertaking financial due diligence on a target. Objectives, components, depth and materiality of a transactional due diligence report. Due diligence tools and techniques for application in your bid process.
Week 5	Transactions Involving Property: Transactions involving significant property assets and what is involved in a property portfolio analysis. Feasibility remodeling and key considerations in managing property development.

Week 6	Fundamentals of Transaction Funding: Types of acquisition finance and syndicated lending for corporates. Key aspects of a facility agreement (financial covenants, security, key undertakings).
Week 7	Candidate Interview Preparation: Practical session on what to expect in the candidate interviews and interview techniques. Recap highlights of lectures 1 - 6.
Week 8	Mock Candidate Interviews: Come prepared for a face to face interview for a graduate role in your nominated team at PwC. Feedback provided
Week 9	Modelling the Transaction: Practical session on modelling the proposed acquisition based on inputs derived from lectures 1 through to 6. Deriving a bid price and key sensitivities.
Week 10	Review the Investment Opportunity: Understand the strategic and financial rationale for making the acquisition. Making a case for why the board should support the investment.
Week 11	Debt/Capital Funding Negotiations: If you are going to buy it then how are you going to pay for it? Practical session on negotiating your acquisition funding, facilities, rates and key terms & conditions.
Week 12	Empirical-based Decision Making for Deals: An event study approach to the analysis of M&A deals
Week 13	Group Presentations Gala Night - PwC Barangaroo Office

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy http://mq.edu.au/policy/docs/assessment/policy_2016.html

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.html

Disruption to Studies Policy (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Results

Results shown in *iLearn*, 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](#).

Supplementary Examination

Further information regarding supplementary exams, including dates, is available here

http://www.businessandconomics.mq.edu.au/current_students/undergraduate/how_do_i/disruption_to_studies

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

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.

Graduate Capabilities

Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing

environments.

This graduate capability is supported by:

Learning outcome

- Develop interview skills and presentation techniques regularly applied by industry professionals.

Assessment task

- Role-based Interviews

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Analyse the stages of a buy side acquisition from strategy and value identification, through due diligence and board approval, to funding and bid submission.
- Apply research and analytical techniques to a potential transaction and derive a bid proposal for submission to a vendor.
- Understand the roles and activities of advisors to a buy-side transaction and how they work together.
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Assessment tasks

- Class Participation
- Presentation
- Major Project

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Analyse the stages of a buy side acquisition from strategy and value identification, through due diligence and board approval, to funding and bid submission.
- Apply research and analytical techniques to a potential transaction and derive a bid proposal for submission to a vendor.
- Understand the roles and activities of advisors to a buy-side transaction and how they work together.
- Investigate financial modelling tools and approaches applied in practice to a buy side acquisition.
- Develop interview skills and presentation techniques regularly applied by industry professionals.

Assessment tasks

- Class Participation
- Presentation
- Major Project

Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

Learning outcomes

- Analyse the stages of a buy side acquisition from strategy and value identification, through due diligence and board approval, to funding and bid submission.
- Apply research and analytical techniques to a potential transaction and derive a bid proposal for submission to a vendor.
- Understand the roles and activities of advisors to a buy-side transaction and how they work together.
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- Develop interview skills and presentation techniques regularly applied by industry professionals.

Assessment tasks

- Class Participation
- Presentation
- Role-based Interviews

Changes from Previous Offering

- Integrated case study to allow students to work through a real world transaction example.
- Addition of soft skills development including interview and presentation techniques.
- Revised assessment structure.

Changes since First Published

Date	Description
14/08/2017	Correction of unit number