



ACST252

Finance and Financial Reporting

S1 Day 2018

Archive (Pre-2019) - Dept of Applied Finance and Actuarial Studies

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Disclaimer

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General Information

Unit convenor and teaching staff

Lecturer and Unit Convenor

Charles Koh

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Contact via via Dialogues in iLearn

E4A Level 2 East Wing

By appointment

Senior Departmental Administrative Officer

Angela Chow

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Credit points

3

Prerequisites

(Admission to BActStud or BActStudBSc or BAppFinBActStud or BActStudBProfPrac) and 21cp at 100 level or above

Corequisites

Co-badged status

Unit description

This unit equips students to understand corporate financial reporting and corporate finance decision-making. It provides a basic understanding of financial reporting and how to interpret financial statements, and integrates this with corporate financial decisions such as raising finance, determining capital structure including liquidity, paying dividends, and assessing capital investments, in the context of the Australian financial sector. Students will also understand and apply basic theoretical concepts in finance. Students gaining a grade of credit or higher in this unit may apply for exemption from subject CT2 of the professional exams of the Institute of Actuaries of Australia.

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:

Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports

Demonstrate an understanding of how finance concepts in this unit relate to corporate finance practice

Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure

Collaborate and contribute effectively in a project group to report on an aspect of finance and financial reporting

General Assessment Information

Gradebook

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 Criteria

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

Late submission or non-attendance penalties

Assessed Coursework, Class Tests, Group Presentation and Final Exam: – No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assessed Coursework</u>	10%	No	Throughout
<u>Presentations</u>	15%	No	Throughout
<u>Class Tests</u>	20%	No	Weeks 3 and 10
<u>Final Examination</u>	55%	No	Examination period

Assessed Coursework

Due: **Throughout**

Weighting: **10%**

Homework exercises form a critical part in the study process, as they serve to reinforce concepts that are covered in class or online. Students have often failed a unit as they do not follow a disciplined approach over the session. To this end, students will be required to attend seminars with their attempts. The teaching staff will check during class time that these are satisfactorily attempted.

The teaching staff will collect exercises on five (5) occasions at the beginning of the class, without prior notice. Marks are awarded for the completeness and evidence that corrections are made as appropriate during class-time.

The homework component will be worth 7.5%, with each submission counting for 1.5%. The remaining 2.5% will be based on the quality and frequency of the student's seminar participation. Students should be prepared to engage constructively in open discussions on relevant topical issues.

On successful completion you will be able to:

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Presentations

Due: **Throughout**

Weighting: **15%**

Throughout the semester, students will present in groups of 3 to 5 students on given topics that link the unit material to real world issues and problems.

Every student must participate in the group presentations and report so that individual student contribution to the group presentations and report can be identified. Each member of a group will be required to complete an assessment of the contributions of individual members.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
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finance practice

- Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure
- Collaborate and contribute effectively in a project group to report on an aspect of finance and financial reporting

Class Tests

Due: **Weeks 3 and 10**

Weighting: **20%**

A class test focusing on the material taught in Weeks 1 to 2 will be held in the lecture in Week 3, and returned to students during Week 4. Please use the first class test as an indicator of whether you are progressing satisfactorily in the unit. If you are having difficulties, please see the Unit Convenor and consider withdrawing before the census date.

A class test focusing on the material taught in Weeks 5 to 8 will be held in the lecture in Week 10 and returned to students during Week 11.

On successful completion you will be able to:

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure

Final Examination

Due: **Examination period**

Weighting: **55%**

A two hour final examination for this unit will be held during the University Examination period.

You are permitted ONE A4 page of paper containing reference material printed on both sides. The material may be handwritten or typed. The page will not be returned at the end of the final examination.

On successful completion you will be able to:

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Delivery and Resources

Required and Recommended Texts and/or Materials

Text

Ross, S., Drew, M., Walk, A., Westerfield, R. and Jordan, B. 2017. *Fundamentals of Corporate Finance (7th ed.)* N.Ryde, NSW, Australia: McGraw-Hill Education.

The hardcopy version is available from Co-op Bookshop (ISBN 9781743762967, this ISBN includes (CONNECT). Contact McGraw-Hill Education directly for assistance with CONNECT technical and content enquiries.

References

Brealey, R. A., Myers, S.C., Allen, F. 2016. *Principles of corporate finance (Global edition) 12th ed.* McGraw-Hill Education.

Titman, S., Martin, T., Keown, A.J. and Martin, J.D.. 2016. *Financial Management: Principles and Applications (7th ed).* Pearson Australia.

Technology Used and Required

Calculators

You may use a calculator in the class test and in the final examination provided it is portable, silent and battery operated, but you must show clearly the steps involved in every calculation. You may NOT use any calculators that have a text-retrieval capacity, whether or not they have a full alphabet on the keyboard. Calculators may be checked at the commencement of the class test and final exam, and the make/model may be recorded.

Word processing

Students need to have access to word processing software (like Word) to complete the Group Assignment. You will need electronically submit your Assignment (using iLearn) as a PDF file. Check your word processing software can generate a PDF file.

Spreadsheet program

Many of the problems you will encounter in this unit can be solved easily with the spreadsheet program, Excel. You can use this spreadsheet program to verify your solutions to many of the problems you are solving.

Unit Schedule

1	Overview: Context of the financial markets, the corporation and its objectives
2	What is accounting and understanding financial statements
3	Class test, Financial statement analysis - Ratios

4	Financial statement analysis - applications in insurance
5	Risk and return in context of valuation
6	Capital structure and cost of capital
7	Debt and equity instruments
	Semester break
8	Capital project analysis - Methods
9	Capital project analysis: Issues and applications
10	Class test, Business ethics
11	Dividends, taxation and working capital decisions
12	Issues in corporate finance practice
13	Revision

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). 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](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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 Exams

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

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Demonstrate an understanding of how finance concepts in this unit relate to corporate finance practice
- Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure

Assessment tasks

- Assessed Coursework
- Presentations
- Class Tests
- Final Examination

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

- Demonstrate an understanding of the process of financial reporting and the interpretation of financial reports
- Demonstrate an understanding of how finance concepts in this unit relate to corporate finance practice

- Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure
- Collaborate and contribute effectively in a project group to report on an aspect of finance and financial reporting

Assessment tasks

- Assessed Coursework
- Presentations
- Class Tests
- Final Examination

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

- Demonstrate an understanding of how finance concepts in this unit relate to corporate finance practice
- Demonstrate an understanding of the basic concepts of finance, including risk and return, financial instruments, cost of capital, and capital structure
- Collaborate and contribute effectively in a project group to report on an aspect of finance and financial reporting

Assessment tasks

- Assessed Coursework
- Presentations
- Class Tests
- Final Examination

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 outcome

- Collaborate and contribute effectively in a project group to report on an aspect of finance and financial reporting

Assessment task

- Presentations

Changes from Previous Offering

Apart from the minor reordering of topics, the following changes are made to enhance student learning process and outcome:

1. As the Class Tests are now conducted in two different timings within the semester, the Class Tests now constitute 20% (15% in 2017) of the unit weighting.
2. Accordingly, the Final Exam now constitutes 55% (60% in 2017) of the unit weighting.
3. The required and reference textbooks have been updated.