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General Information

Unit convenor and teaching staff
Unit Convenor
Damian Bridge
Contact via Via ILearn
Please check iLearn for consultation details

Administrator
Sharon Collett
Contact via Via ILearn
Please check iLearn for consultation details

Angela Chow
angela.chow@mq.edu.au

Credit points
3

Prerequisites
21cp at 100 level or above including ((ACCG100 or ACCG106) and (STAT150 or STAT170 or STAT171 or PSY122) and ACST101 and ECON111)

Corequisites

Co-badged status

Unit description
This introductory unit in corporate finance focuses on the financing and investing decisions made by the finance manager of an organisation. While the emphasis is on the theory of the firm, students are also given exposure to current issues affecting corporate finance in Australia. Satisfactory completion of the unit equips students with a grasp of the following principals of financial economics: the relation between risk and expected return; the time value of money; and valuation of securities via discounted cash flows. The unit also provides an introductory coverage of derivative securities and no arbitrage valuation. The unit provides a standalone introduction to finance for students not planning to continue with study in the area. Analytical, quantitative and generic skills are emphasised. The unit aims to develop graduate capabilities centred upon effective communication, higher order analysis and problem-solving skills.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are
Learning Outcomes

1. Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
2. Explain financing and investing decisions made by finance managers.
3. Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
4. Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.

General Assessment Information

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 tasks (not including the final exam mark) will not be addressed.

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

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quizzes</td>
<td>15%</td>
<td>No</td>
<td>Various</td>
</tr>
<tr>
<td>Class Test</td>
<td>15%</td>
<td>No</td>
<td>Week 7</td>
</tr>
<tr>
<td>Assignment</td>
<td>10%</td>
<td>No</td>
<td>Friday 11th May</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>No</td>
<td>University Examination Period</td>
</tr>
</tbody>
</table>

Quizzes

Due: Various
Weighting: 15%

This assessment is created in two parts.

1. Students will undertake a week 4 Diagnostic Quiz (5%). This is an online quiz. Please check iLearn for relevant due date.

2. There will be 4 random quizzes undertaken in tutorials (2.5 marks each - 10% total). These will commence after week 4. Students must attend the tutorial in which they have registered. No changes to tutorial may be made. Quizzes will be undertaken in a random fashion however questions will be similar to those for that weeks tutorial.
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.

Where a Special Consideration application is approved, the student may be offered an alternative assessment or may receive a mark based on the percentage mark achieved by the student in one or more other assessment tasks, at the Unit Convenor's discretion.

This Assessment Task relates to the following Learning Outcomes:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.

Class Test

Due: Week 7

Weighting: 15%

Class mid semester test will be held in the Week 7 lecture. This test will be 60 minutes in duration.

There will be no supplementary class tests available.

Where special consideration is applied for and approved students will be given a verbal examination by two members of staff.

This Assessment Task relates to the following Learning Outcomes:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.

Assignment

Due: Friday 11th May
Weighting: 10%

Submission

Due Friday 11th May at 12 Noon (i.e. in the middle of the day) using iLearn.

Please see ilearn for further details regarding the assignment.

Extension

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.

This Assessment Task relates to the following Learning Outcomes:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.

Final Examination

Due: University Examination Period

Weighting: 60%

A final examination of 2 hours will occur during the university examination period.

This Assessment Task relates to the following Learning Outcomes:

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
- Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.
Delivery and Resources

Classes

• Students should each week attend their allocated lecture of up to two hours duration, and their allocated 55 minute tutorial.
• Tutorials begin in Week 2 and cover material based on the preceding week’s lecture topic.
• Students should attend PAL Sessions where necessary to improve their understanding of the material covered.
• Attendance at tutorials is very important for successful completion of assessment tasks in this unit. Tutors keep weekly attendance records. These may be taken into consideration in determining the overall unit result. The tutorial attendance record may also be taken into account in considering applications for supplementary end-of-semester final examinations.
• The timetable for classes can be found on the University web site at: http://www.timetables.mq.edu.au/

Prizes

Information on prizes is available at MQ website: www.businessandeconomics.edu.au/undergraduate_degrees/prizes_scholarships.

Required and Recommended Texts and/or Materials

Required Text (source for weekly tutorial questions)

The textbook will assist you in the weekly quizzes.

• Fundamentals of Corporate Finance (6th ed.) ISBN 9781743079485 (Ross)

Technology Used and Required

• Financial non-programmable calculators can be used in the unit. A financial calculator is not essential as a scientific non-programmable calculator should meet all your needs (calculation of the Internal Rate of Return (IRR) is not required in any of the assessment tasks). Note: Only non-programmable calculators without text retrieval functionality are
allowed for use in the unit’s assessments tasks.
• Excel or similar spreadsheeting tool will be required to complete the assignment.
• Students should have access to the internet.

Unit Web Page
• Course material and announcements are available on the learning management system (iLearn).
• Students should check iLearn regularly before each lecture, tutorial and assessment.

Learning and Teaching Activities
The unit is delivered through weekly lectures and tutorial classes. Tutorial questions will mostly be sourced from the required textbook. The question numbers that will be discussed in tutorials will be posted to iLearn each week. Students should attempt these questions before tutorials. Brief answers to the tutorial questions will be posted on iLearn after each week.

To achieve the best possible results students should:
1) Attend all lectures and tutorial classes, though attendance is not compulsory;
2) As it is unlikely that tutors will be able to cover all questions and problems in each tutorial class, students should attempt and complete all assigned questions and problems before attending tutorial classes;
3) Tutorial questions and problems are assigned from the required text book;
4) Read the assigned chapters of the required text book before attending lectures;
5) Download lecture notes from iLearn, which are available weekly before lectures. Ensure these notes are brought to lectures.
6) Attend PAL sessions where difficulties are experienced.

Unit Schedule

<table>
<thead>
<tr>
<th>Week No.</th>
<th>Date (Week Beginning)</th>
<th>Topic</th>
<th>Chapters (Fundamentals unless stated otherwise)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>26 February</td>
<td>Introduction to Financial Management and Risk &amp; Return</td>
<td>1 &amp; 7</td>
</tr>
<tr>
<td>2</td>
<td>5 March</td>
<td>Cash Flows &amp; Capital Budgeting</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>12 March</td>
<td>Evaluating Project Economics and Capital Rationing</td>
<td>12</td>
</tr>
</tbody>
</table>
### 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). 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). 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).

**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](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:*


**Student Support**

Macquarie University provides a range of support services for students. For details, visit [http://students.mq.edu.au/support/](http://students.mq.edu.au/support/)

**Learning Skills**

Learning Skills ([mq.edu.au/learningskills](http://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 Enquiry Service**

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

**Equity 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.

**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.
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 outcomes

• Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows
• Apply first principles in finance theory and fundamental analytical techniques to simple real-life problems.

Assessment tasks

• Quizzes
• Class Test
• Assignment
• 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

• Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time
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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
• Discuss fundamental aspects of the theory of the firm and outline current issues affecting
corporate finance in Australia.
• Explain financing and investing decisions made by finance managers.
• Demonstrate understanding of the relation between risk and expected return, the time
value of money, and valuation of securities via discounted cash flows
• Apply first principles in finance theory and fundamental analytical techniques to simple
real-life problems.

Assessment tasks
• Quizzes
• Class Test
• Assignment
• 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

- Discuss fundamental aspects of the theory of the firm and outline current issues affecting corporate finance in Australia.
- Explain financing and investing decisions made by finance managers.
- Demonstrate understanding of the relation between risk and expected return, the time value of money, and valuation of securities via discounted cash flows.
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Assessment tasks

- Quizzes
- Class Test
- Assignment
- Final Examination

Changes from Previous Offering

Removal of topic on International Trade Finance

Research and Practice

This unit uses research from external sources including journal articles and other text books which will be made available on iLearn.