MACQUARIE UNIVERSITY  
FACULTY OF BUSINESS AND ECONOMICS  
UNIT GUIDE

<table>
<thead>
<tr>
<th>Year and Semester:</th>
<th>Semester 2, 2012</th>
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<tbody>
<tr>
<td>Unit convenor:</td>
<td>Sachi Purcal</td>
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<tr>
<td>Prerequisites:</td>
<td>ACST603 or admission to MCom or MIB or MEc or MActPrac prior to 2011</td>
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<td>Credit points:</td>
<td>4</td>
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Students in this unit should read this unit guide carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

**ABOUT THIS UNIT**

The aim of the Finance and Financial Reporting course is to provide a basic understanding of corporate finance including a knowledge of the instruments used by companies to raise finance and manage financial risk and to provide the ability to interpret the accounts and financial statements of companies and financial institutions.

Students gaining a grade of credit or higher in this unit may apply for exemption form subject CT2 of the professional exams of the Institute of Actuaries of Australia.

**TEACHING STAFF**

Sachi Purcal is the unit convenor and will be taking all of the lectures in this unit.

**CONTACTING STAFF**

Sachi Purcal can be contacted by email (sachi.purcal@mq.edu.au) or on 9850-8571. His office is located in building E4A (room 615).

Sachi is available for consultation on Thursdays (during teaching weeks) from 1000 to 1200 in E4A 615.

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct consultations by email. You may, however, phone staff during their consultation hours.

The Discussion Board on iLearn is a good place to start in your search for help with the unit.
Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

**CLASSES**

Classes (which start in week one of the semester) are held:

   Tuesdays 1800–2100 in E7B 100.

The timetable for classes can be found on the University web site at: [http://www.timetables.mq.edu.au/](http://www.timetables.mq.edu.au/)

**REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS**

**Text**

The ActEd CT2 notes (2012 edition) are the text for this unit. The notes can be purchased through ASSOC. They are not available from the Co-op bookshop. The notes are not available in the library.

More details on how the CT2 notes can be picked up will be available at the first lecture on 31 July, or the course website. Alternatively, you may purchase your own copy from ActEd (at a higher price) immediately. To contact ActEd, see their website: [http://www.acted.com.au](http://www.acted.com.au).

Lecture notes are available each week from the unit website.

**TECHNOLOGY USED AND REQUIRED**

You will required to use iLearn, word processing software (like Word), spreadsheet software (like Excel) and be able to create and read pdf files.

**UNIT WEB PAGE**

Course material is available on the learning management system (iLearn).

**LEARNING OUTCOMES**

The learning outcomes of this unit are:

1. Describe the structure of a joint stock company and the different methods by which it may be financed.
2. Demonstrate a knowledge and understanding of the characteristics of the principal forms of financial instruments issued or used by companies and the ways in which they may be issued.
3. Discuss the factors to be considered by a company when deciding on its capital structure and dividend policy.
4. Define what is meant by a company’s cost of capital and discuss how its cost of capital interacts with the nature of the investment projects it undertakes.
5. Describe the basic construction of accounts of different types and the role and principal features of the accounts of a company.
6. Interpret the accounts of a company or a group of companies and discuss the limitations of such an interpretation.
7. Show how financial techniques can be used in the assessment of capital investment projects.

**GRADUATE CAPABILITIES**

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability

**LEARNING AND TEACHING ACTIVITIES**

Before each class you are expected to have read the ActEd notes and to have attempted the self-assessment questions in the notes. The Study Guide at the start of the CT2 notes describes the scope of the course and provides a detailed syllabus.

The topics we will cover are given below. The number prefixed to each topic is the week in which we will treat that material.

3. Issue of shares. Accounting concepts and regulation
6. Cash flow statement. Statement of changes in equity
8. Ratios: security of loan capital.
9. Ratios: shareholder analysis
13. Revision.

**RESEARCH AND PRACTICE**

- This unit uses research by Macquarie University researchers (references are given in the unit notes)
- This unit uses research from external sources (references are given in the unit notes)
- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research
**RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES**

The unit is assessed using
- a class test (10% of the final assessment of the unit), held in lectures in week 8,
- a group assignment (20% of the final assessment of the unit), and
- a final exam (70% of the final assessment of the unit).

Please note, with respect to the group assignment, that no extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of zero for the task, except for cases in which an application for special consideration is made and approved.

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<thead>
<tr>
<th>Assessment Task 1</th>
<th>Assessment Task 2</th>
<th>Assessment Task 3</th>
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<tbody>
<tr>
<td><strong>Title/Name</strong></td>
<td>Class test</td>
<td>Group assignment</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>50 minute written test held in class</td>
<td>Written research task done in groups of four and submitted electronically via iLearn</td>
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<tr>
<td><strong>Due date</strong></td>
<td>Held in the first hour of the week 8 lecture</td>
<td>To be announced on iLearn</td>
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<tr>
<td><strong>% Weighting</strong></td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Grading method</strong></td>
<td>Graded to reflect the level of understanding shown by the student</td>
<td>4% group contribution (internal group: 4 in each group), 4% peer assessment (external group: individuals mark 3 group assignments), 12% lecturer grading to reflect the level of understanding shown by the students</td>
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<td><strong>Submission method</strong></td>
<td>Written test</td>
<td>Electronic submission via iLearn</td>
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<tr>
<td>Feedback</td>
<td>Results and feedback via iLearn in two weeks</td>
<td>Results released in accordance with University timetable</td>
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<tr>
<td>Estimated student workload (hours)</td>
<td>3–4 hours</td>
<td>10–15 hours</td>
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<tr>
<td>Learning outcomes assessed</td>
<td>Describe the structure of a joint stock company and the different methods by which it may be financed.</td>
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<td>5</td>
<td>Describe the</td>
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<td></td>
<td>Show how financial techniques can be used in the assessment of capital investment projects.</td>
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**Graduate capabilities assessed**

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<th>9</th>
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<tr>
<td>Discipline specific knowledge &amp; skills</td>
<td>Critical, analytical and integrative thinking</td>
<td>Problem solving and research capability</td>
<td>Effective communication</td>
<td>Commitment to continuous learning</td>
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**Final exam**

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.
A three hour final examination for this unit will be held during the University Examination period.

You are permitted to bring to the final examination one A4 sheet of paper containing reference material printed on both sides. The sheet may be handwritten, typed or photo-reduced.

The University Examination period Second Half Year 2012 is from 12 November to 30 November.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

http://exams.mq.edu.au/

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University’s policy on special consideration process is available at http://www.mq.edu.au/policy/docs/special_consideration/policy.html

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Faculties may wish to signal when the Faculties’ Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: http://www.mq.edu.au/policy/docs/examination/policy.htm

**ACADEMIC HONESTY**

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.
Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

**GRADES**

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at: http://www.mq.edu.au/policy/docs/grading/policy.html

**GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING**

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals

**SPECIAL CONSIDERATION**

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/policy.html

**STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Support Services. Details of these and other services for students can be accessed at http://www.student.mq.edu.au.

**IT CONDITIONS OF USE**

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.
Students are expected to act responsibly when using University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved units is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.