Year and Semester: 2012, 2nd Semester

Unit convenor: James McCulloch

Pre-requisites: Financial Accounting, Corporate Finance

Credit points: 4

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult the teaching staff in the unit.

ABOUT THIS UNIT

This course examines the many techniques commonly employed in assessing the value of whole businesses and individual parts of businesses, how to select an appropriate technique for a particular valuation task, and how to apply the technique in practice.

TEACHING STAFF

- James McCulloch  External Contact  james.mcculloch@mq.edu.au

CONTACTING STAFF

- Consultation times

Consultation will be available during the tutorial session at the end of each lecture, and also by email (same day response time). Access by phone will not be available.

Students experiencing significant difficulties with any topic in the unit should seek assistance immediately.

CLASSES

- There are 13 weekly sessions of 3 hours each consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial
- There are 2 lecture sessions for this unit.

Lecture session 1 is in building C5A room 226 from 2pm-5pm on Fridays. Lecture session 2 is in building E4B room 316 from 3pm-6pm on Thursdays.
See the timetable for classes on the University web site at:
http://www.timetables.mq.edu.au/

- All students are to attend all classes.

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

**Compulsory Text**

"Damodaran on Valuation" by Aswath Damodaran.

ISBN: 978-0471751212

- The text is available from the Macquarie University Co-op Bookshop. You can also check the 2nd hand bookshop or search online.

**TECHNOLOGY USED AND REQUIRED**

- Students will require a calculator (scientific or financial) capable of handling exponents. Simple financial functions (as found on financial calculators) will not be required.

- Students should be familiar with spreadsheet technology (eg MS Excel or equivalent)

**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. All lecture material and examples, homework questions and answers, administration issues, and supplementary readings will be available on this site as the course progresses.

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 Moodle 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 OUTCOMES**
The learning outcomes of this unit are:

1. Explain the different goals of business valuation in relation to real world business drivers.
2. Evaluate business valuation techniques to determine the most appropriate technique for the specific goal.
3. Explain the principles and theory behind each valuation technique.
4. Evaluate and synthesise the principles and basis across valuation techniques.
5. Apply various valuation techniques to real world valuation problems

**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
   a) Add to overall knowledge and understanding of the finance discipline
   b) Improve ability to partition and solve complex problems
   c) Improve speed and accuracy of manual and computer assisted calculations
   d) Improve skills in written presentation
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability
4. Capable of Professional and Personal Judgement and Initiative
5. Commitment to Continuous Learning

**TEACHING AND LEARNING STRATEGY**

Contact sessions are three hours. The first two hours will introduce new material in a lecture format. The final hour will be a tutorial to review completed material, assignments and to answer more detailed student questions. There will be a short break before the tutorial session.

*Students are required to prepare for each lecture by reading the material set from the required textbook, and to complete the homework assignment to be discussed in tutorial.*

Students are encouraged to ask questions, initiate discussions, and provide input from relevant personal experience.
## Relationship Between Assessment and Learning Outcomes

<table>
<thead>
<tr>
<th>Title/Name</th>
<th>Online Quiz</th>
<th>Major Group Assignment</th>
<th>Final Exam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Quiz to assess progress to date. Multiple choice using short calculations (1 hour)</td>
<td>Students will be formed into groups and asked to write a report valuing a company listed on the Australian Securities Exchange (ASX).</td>
<td>Multiple choice questions and written questions requiring longer, more complex and calculated answers (3hrs)</td>
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<tr>
<td>Due date</td>
<td>TBA</td>
<td>TBA</td>
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<tr>
<td>% Weighting</td>
<td>5%</td>
<td>30%</td>
<td>65%</td>
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<tr>
<td>Grading method</td>
<td>Correct or not correct</td>
<td>The style of the essay will be a detailed valuation report for a commercial client. The assignment will be marked on presentation and technical veracity. Students will be required to identify their individual contribution to the group assignment.</td>
<td>Multiple Choice Correct or not correct Written answers: well presented, and legible</td>
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<tr>
<td>Submission method</td>
<td>Online</td>
<td>Online (PDF file)</td>
<td>Collected on completion</td>
</tr>
<tr>
<td>Feedback (type, method, date)</td>
<td>General Tutorial Discussion</td>
<td>Returned assignments and comments</td>
<td>None</td>
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<tr>
<td>Learning outcomes assessed</td>
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<td>1</td>
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<td>Graduate capabilities assessed</td>
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Students receive **weekly feedback** through the tutorial process. For this to be effective the student must have completed assigned readings and attempted the assigned homework BEFORE the corresponding tutorial. Further, it is important for the student to raise any issues of concern at the earliest tutorial opportunity. **NOTE:** Students are expected to attend **ALL** tutorials to gain the maximum benefit from feedback on progress.

The 3 hour final examination for this unit will be held during the University Examination period.

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 at [http://www.timetables.mq.edu.au/exam](http://www.timetables.mq.edu.au/exam)

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 (see below). The University’s policy on the Special Consideration process is available at [http://www.mq.edu.au/policy/docs/special_considerationpolicy.html](http://www.mq.edu.au/policy/docs/special_considerationpolicy.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](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 AND SUPPLEMENTARY EXAMS**

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/procedure.html. Please read this very carefully – particularly the parts about “pre-existing” conditions, and “exam anxiety”. (See Student Support Services below)

Students who are provided with the opportunity to sit a Supplementary Exam may be seen to have an advantage over other members of the class due to the fact that they will have longer to prepare for the exam, and will not be pressured by other exams at the same time. For this reason the following will be applied:

1. The requirements under the Special Consideration Policy will be strictly adhered to;
2. The maximum course grade for a student taking a Supplementary Exam will be Credit;
3. A student may not take the formal exam AND then apply for a Supplementary Exam;

**STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at [http://www.student.mq.edu.au](http://www.student.mq.edu.au). Students who are experiencing learning difficulties due to illness or family issues are strongly encouraged to access these support services. The Course Convener is not qualified to assist you in these matters.

**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

**Research and Practice**

- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research.