MACQUARIE
UNIVERSITY ~ SYDNEY

GRADUATE ACCOUNTING AND COMMERCE CENTRE

DIVISION OF ECONOMIC AND FINANCIAL STUDIES

ACCG808: CORPORATE FINANCE

UNIT OUTLINE

Feb - June 2007

ACCG 808 CORPORATE FINANCE
UNIT OUTLINE

UNIT OBJECTIVE

The objective of this unit is to explore the theory and application of corporate finance issues at an advanced level, and to equip students with the required depth of knowledge and skill expected of a professional.

The unit will revise basic financial concepts, valuation techniques and topics covered in earlier finance courses. This will prepare the students to learn more complicated theoretical issues and analytical techniques, and enable them to apply their knowledge to a real life corporate finance project.

FORMAT

There will be eleven lectures and two exams. The lectures will be:

Wed – Room E4B 314, 2pm to 5pm
Wed – Room E4B 316, 6pm to 9pm
Fri – Room W6B 345, 9am to 12 noon

The lecture notes, solutions to the Questions and Problems (Q&P) are available on the unit web site.

Students are advised to keep up to date with the Q&P posted on the unit web site, at least 50% of the exam questions will be based on these questions. Suggested solutions may contain error, it is important that students work through the Q&P, and examine the solution given. Do not blindly accept the solution, as you are encouraged to challenge the answers. Where there are questions concerning the Q&P, students should notify the lecturer via email, or by handing in the list of questions in class. The questions will be discussed in class, queries related to lectures older than 4 weeks may be ignored.

Students will be given three Problem Sets to complete individually during the semester. Practice questions will also be provided to allow students to work on more difficult problems.

There will be a group project, to be handed in by Lecture 12. You should form a group of three or four students, and provide to the lecturer the names, phone numbers and email addresses of the members no later than Lecture 5. You may not change group after this unless approved by the lecturer. The project will require the group to apply the theory and techniques learned in the unit to a real life project.

The exams are conducted during class time. The mid-semester exam will cover all materials from Ch 1 to 10, and the final exam will cover the remaining materials. You are strongly advised to sit for the exam at the class time you have enrolled for, a change of exam time will be very difficult to arrange.

INSTRUCTOR

Siang CHANG Mobile: 0411 954 519
Email: SiangChang@tpg.com.au

Unit Website: http://online.mq.edu.au

STEPS:

LOGIN
Type in USERNAME and PASSWORD
Click on GACCRESOURCES
Click on ACCG808

Students are advised to check the unit website regularly, and ensure that all material posted on the website can be accessed without difficulties. If you are unable to access any of the material on the website, check with your classmates first before notifying your lecturer of the problem.

UNIT ASSESSMENT

Problem Sets (3)	15%
Group Project	25%
Mid Term Exam	30%
Final Exam	30%

To pass the unit, you are required to:

1. obtain at least 20 out of 40 for the Problem Set and the Group Project
2. obtain at least 30 out of 60 for the two exams
3. obtain at least 50% for the whole course

CALCULATORS

Calculators will be allowed in the exams, and students are advised to bring their calculators to class. If you are planning to use a programmable calculator, make sure that you obtain approval from the lecturer before using it in the exams. You are expected to show all workings for your calculations.

All calculations should be to two decimal places, excessive rounding will be penalised.

TEXT BOOK

Principles of Corporate Finance
Brealey, Myers, Partington and Robinson
McGraw-Hill 2000

LECTURE PROGRAM

	WEEK STARTING		CHAPTER
LECTURE 1	25th Feb 2007	Revision of basic financial concepts	1 to 3
LECTURE 2	4th Mar 2007	Revision of investment decision concepts	4 to 6
LECTURE 3	11th Mar 2007	Risk and Return	7 to 8
LECTURE 4	18th Mar 2007	Capital Budgeting	9
LECTURE 5	25th Mar 2007	Sensitivity Analysis, Monte Carlo, Decision trees	10
LECTURE 6	1st Apr 2007 (Lecture on 6th Apr 2007 will be held on 20th Apr 2007)	Dividend controversy	16
LECTURE 7	22nd Apr 2007	Mid-Semester Exam	
LECTURE 8	29th Apr 2007	Debt Policy and taxes	17 to 18
LECTURE 9	6th May 2007	Interactions of investment and financing decisions	19
LECTURE 10	13th May 2007	Options	20 to 21
LECTURE 11	20th May 2007	Valuing Risky Debt	23
LECTURE 12	27th May 2007	Takeovers Project Due	33
LECTURE 13	3rd June 2007	Final Exam	