

MACQUARIE UNIVERSITY



**POSTGRADUATE DIPLOMA
IN ACCOUNTING
and
MASTER OF ACCOUNTING**

UNIT OUTLINE

ACCG858 Financial Management and Policy

Trimester 3, 2008

Students in this unit should read this Unit Outline carefully at the beginning of the trimester. It contains important information about the unit. If anything in the Outline is unclear, please consult one of the staff in the unit.

UNIT OBJECTIVE:

The unit aims to introduce students to financial decision making in a business environment. This involves:

- understanding the role of accounting and financial information in the financial decisions which are critical to business survival, such as "should we purchase this asset?" and "how can we finance it?"
- analysing and interpreting data necessary for informed financial management decisions
- evaluating the pitfalls, both theoretical and practical, of some of the analytical techniques and theoretical decision models considered.

In addition, the unit aims to develop a range of generic skills throughout the course. Specifically, the unit aims to develop interpersonal, problem-solving and communication skills through a co-operative research assignment presented in the form of a business report as well as class presentations.

PREREQUISITES:

This unit has the following prerequisites:

ACCG862, ACCG849, ACCG860 and at least 27 credit points.

TEACHING STAFF:

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Please Note: Because of virus problems, only emails sent from a Macquarie University account will be opened.

Any student experiencing difficulties with the course should seek help at the earliest possible opportunity.

LECTURER-IN-CHARGE:

Dawn Cable
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TEXTBOOK:

Ross, Thompson, Christensen, Westerfield, Jordan, "Fundamentals of Corporate Finance", 4th Ed, McGraw-Hill, 2007

UNIT TIMETABLE:

This unit offers the following classes:

Tuesday 12-3	C4A 318	KD
Tuesday 3-6	C4A 318	KD
Wednesday 9-12	E7B 200	KD
Wednesday 6-9	C4A 318	GM
Thursday 6-9	C4A 318	KD
Friday 9-12	SAM	CT
Friday 12-3	C5A 301	GM
Friday 3-6	C5A 304	GM

You **MUST** attend only the class in which you are registered. In the event that you have to attend an alternative class for a particular week, you are required to notify the lecturer.

TEACHING FORMAT:

The course is structured around a 3 hour session each week. Most weeks this will consist of a lecture combined with some practical work. ALL homework will not be specifically covered in these sessions. Only the Discussion Questions set for homework will be discussed in class every week. These discussions will be student led so you are expected to come prepared to actively engage in discussion about these questions. Students will be chosen at random to lead the discussion. The remaining homework questions will have answers available for students to go through themselves, at their own pace. Lectures will provide students with the main concepts and techniques and homework provides the opportunity to apply the concepts to problems and exercises. The textbook provides many questions and extra detail which lectures may not cover and it is expected that students will cover this material in their own time. ***It is recommended students have a thorough understanding of the homework, as this is the most basic level of understanding which is expected.*** To this end, some time will be set aside each week to handle any queries, problems etc arising from the homework material related to the previous week's lecture. Obviously, most benefit will be gained from these sessions if you have attempted the homework and identified any problems.

Apart from the Discussion Questions, answers to homework questions will be available from the unit webpage (see below).

Discussion questions with NO answers available are for discussion within the class. Each student should come to class prepared to DISCUSS these questions (see Participation).

Lecture slides MUST be downloaded and brought to each class. These are available through the textbook website.

Class attendance is highly recommended. **You must attend the class in which you are registered**, and only under special circumstances will changes be allowed.

Students are encouraged to read the prescribed chapter in the textbook **prior** to attending each class in order to gain maximum benefit from the course.

ADDITIONAL REFERENCES:

Current editions of:

Petty, Scott, Martin, Burrow, Martin & Nguyen, "Financial Management", Pearson
Peirson, Brown, Easton, Howard, "Peirson and Bird's Business Finance", McGraw-Hill
Brealey, Myers, Marcus, "Fundamentals of Corporate Finance", McGraw-Hill

CALCULATOR:

A calculator will be **required** for the course. More detail will be provided in Week 1.

ASSESSMENT:

Participation, Discussion of Homework Questions	15%
Group Assignment	15%
Mid Trimester Examination	30%
Final Examination	<u>40%</u>
	<u>100%</u>

To pass this Course it is necessary to:

- (i) perform satisfactorily in the Participation and Discussion of homework questions
- (ii) perform satisfactorily in the Group Assignment
- (iii) perform satisfactorily in the Mid Trimester Examination
- (iv) perform satisfactorily in the Final Examination
- (v) obtain a pass in the combined Examination component (ie you must pass the mid trimester and final exam marks added together)**
- (vi) obtain a pass overall

PARTICIPATION:

Attendance is highly recommended.

Participation in class room activities and discussions is expected of all students. Attendance alone is not sufficient.

Discussion of homework Questions: As per the Lecture Outline on page 9, there are Discussion Questions set for homework each week. The answers to these Questions will NOT be provided. Each student should come to class prepared to discuss their answer to these Questions. **A student will be chosen at random to lead the discussion and this will contribute toward the mark given for participation.** *Please note that reading your answer is not considered as satisfactory. You should be prepared to express your views with reference to your notes. The ability to involve other students in the discussion will be well regarded.*

Both the Mid Trimester and Final Examinations contain a significant amount of marks for these types of discussion questions. You are encouraged to have written answers for these questions each week as this will be valuable practice for the exams.

Ways to enhance your chance of success in this unit

During 2007 the Master of Accounting program engaged in a significant research project that was designed to investigate and find ways to enhance student participation in the classroom.

Students who were interviewed during the research project stated that participating in classroom discussions, answering lecturer's questions and engaging in meaningful discussion with colleagues when directed by the lecturer:

1. assists them in retaining information and maintaining interest and concentration
2. allows them to clarify or check their understanding
3. provides opportunities to enhance and reinforce knowledge and learn from other students
4. improves their English proficiency
5. supports their development of communication skills
6. develops skills needed in professional practice

Lecturers expect students to participate in class as it:

1. provides opportunities for students to review or clarify lecture content and benefit from the experience of other students
2. assists students to think about concepts and test whether their understanding is correct
3. develops confidence in speaking
4. provides opportunities to think in a different way

The research concluded that the benefits of participation include:

- enhancing the learning process
- meeting lecturers' expectations of students
- helping to increase communication skills.

This unit expects ALL students to participate in the classroom and engage with this exciting material. The 15 marks allocated to this portion of the assessment will be carefully monitored by your Lecturer.

GROUP ASSIGNMENT:

Details of the Assignment will posted on the unit website by the end of Week 2.

TWO COPIES of your assignment Report MUST BE SUBMITTED to the Assignment Box outside ERIC.

Two copies of your assignment MUST be submitted, one for CME to assess language, grammar, spelling, etc (5 marks) and the other copy assessed for technical content (10 marks).

Note: There is sufficient scope in the assignment that EACH TEAM should produce a UNIQUE/DIFFERENT report, otherwise SIGNIFICANT penalties will apply if there is a suggestion of copying ideas from other teams.

A typical structure for a Business Report follows:

Title Page
Table of Contents
Executive Summary
Introduction
Body
Conclusion, usually Recommendation
Appendix
Bibliography

Turnitin

This Trimester all ACCG858 students will be required to submit assignments electronically to the *Turnitin* website.

Turnitin is an internet database that identifies papers containing unoriginal material. All students will be given detailed instructions on how to register for and use the *Turnitin* website before the first assignment is released to students.

Assignment Submission Requirements

When submitting assignments for ACCG858 students must complete all the steps below:

1. **Submit your assignment to *Turnitin*:** when you submit your assignment the *Turnitin* website will produce an **Originality Report**. You must print the **Originality Report** and hand it in with your assignment by the due date as instructed by your lecturer.
2. **A Cover Sheet** must be attached to the front of your assignment when submitted in hard copy. The cover sheet must be signed and dated. Coversheets can be downloaded from <http://www.efs.mq.edu.au/current/ug/eric>

Detailed instructions explaining *Turnitin* and how students will be required to use this website for ACCG858 will be distributed to all students in class.

Important Information

Class ID: 2327087
Enrolment Password: ACCG858

You will need the above *Class ID* and *Enrolment Password* when you register and create your user profile in *Turnitin*.

Some students may have used Turnitin in a previous trimester. If you already have a user profile you do not need to create a new one. For instructions on how to enrol in a new class by adding it to your current user profile please refer to section 3 "Enrolling in a new Class" of your Turnitin Student User Guide.

PENALTIES WILL APPLY TO STUDENTS WHO FAIL TO FOLLOW THESE INTRUCTIONS. IT IS THE STUDENT'S RESPONSIBILTY TO COMPLETE THESE REQUIREMENTS.

MID TRIMESTER EXAMINATION:

The mid trimester examination will be held on Saturday, 27 September. The exam will be 2 hours in duration, worth 30% and will cover Topics 1-5.

FINAL EXAMINATION:

The final examination will be held within the final examination period, 10-15 November. It will cover Topics 6-12, will be worth 40% and will be 2.5 hours long. More details later.

ONLINE RESOURCES: ACCG858 WORLD WIDE WEB SITE:

The unit will have a World Wide Web site accessed through Macquarie University Online Learning @MQ, using the following URL:

<http://learn.mq.edu.au> (**this must be entered exactly**). Further technical information on the use of BlackBoard can be found at <http://online.mq.edu.au/docs/tecinf.html>.

The unit Web site is only available to students enrolled in ACCG858. It will be available from Monday 18 August.

The Website will contain important unit materials, including:

- Course details—An outline of the unit
- Announcements—notices updating students on important matters regarding the unit
- Group assignment
- Solutions to homework questions
- Results—for mid trimester exam, assignment and any other assessable material, when available

UNIVERSITY POLICY ON GRADING:

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion, your raw mark for a unit (ie., the total of your marks for each assessment item) may not be the same as the SNG which you receive. The process of scaling does not change the order of marks among students. A student who receives a higher mark than another will also receive a higher final scaled mark.

The policy does not require that a minimum number of students are to be failed in any unit.

For an explanation of the policy see

<http://senate.mq.edu.au/rules/Guidelines2003.doc> or
<http://senate.mq.edu.au/rules/detailedguidelines.doc>

MACQUARIE UNIVERSITY RULES AND REGULATIONS:

All assessment is subject to the University's rules and information to students set out in the Handbook of Postgraduate Studies. You are particularly referred to rules of the various postgraduate awards; and with the Student Information regarding Plagiarism and Assessment.

CHEATING AND PLAGIARISM

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of another person's ideas and manner of expressing them.

WHAT IS CHEATING?

You will be guilty of cheating if you do any of the following:

1. Copy from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.
2. Use or paraphrase the work of others, including any document, audio-visual or computer-based material, when preparing an assignment or writing an examination, and pretend it is your own work by not acknowledging where it came from.
3. Copy from another student's coursework whether that copying is with or without the knowledge of that student. This includes:
 - copying all or part of someone else's assignment
 - allowing someone else to copy all or part of your assignment
 - providing your assignment (or other materials for an assignment) to another student
 - having someone else do all or part of an assignment for you
 - doing all or part of someone else's assignment for them.
4. Make up data and fabricate results in research assignments.

5. Impersonate someone else in an examination or test, or arrange such impersonation.
6. Use forbidden material in a test or examination, whether in printed or electronic form. For example, attempting to use a non-standard calculator in a restricted calculator examination.

WHY IS IT WRONG?

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of plagiarism. This is wrong because it:

- violates the principle of intellectual and scholarly integrity;
- devalues the grades and qualifications gained legitimately by other students; and
- fails to allow you demonstrate your own understanding of the material.

PREVENTING CHEATING

All students and staff have a responsibility to prevent, discourage and report cheating.

Typically students cheat because they are having difficulty with the unit content, the language of the unit, or both. Cheating and/or plagiarism can be a temptation when students are experiencing difficulty with a heavy workload in the unit and seek to save time by using others' work.

To avoid having students resort to cheating, the University provides many services to help students with their course or to make thoughtful decisions about whether to continue. Within the Division of Economic and Financial Studies, students should first seek assistance from their lecturer. Staff at the Centre for Macquarie English are also an excellent resource for plagiarism questions and language issues. The University also offers help through the Dean of Students or the University Health and Counseling Services.

There is a difference between getting help and cheating. You are encouraged to get help if you need assistance to understand the material and any set work so that you are in a better position to create your own answers. You might also want to have group discussions with your colleagues to debate the different issues surrounding a form of assessment. However the work you submit for your assessment must be in your own words and must not be those of another person.

HOW TO PLAY SAFE

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should *ALWAYS*:

- (i) State clearly in the appropriate form where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set;
- (ii) Acknowledge the people whose concepts, experiments or results you have extracted, developed or summarised, even if you put these ideas into your own words;
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

There is nothing wrong with working with other students in a group; indeed sometimes you will be encouraged to do so. But after a certain point, each student must work on their own to produce their own written answers. If no specific guidelines for group-work have been given, a reasonable interpretation is that it is acceptable for two or more students to discuss a problem among themselves or with a staff member. The group may then agree that the answer should include certain points. But then each member of the group must independently write their own answer to the problem.

PENALTIES

Offences of plagiarism will attract penalties which at a minimum, will result in the deduction of marks for the test and/or assignment, to ultimately a failure in the unit and reference to the University Discipline Committee. The penalty will depend upon the extent of the plagiarism, whether it is a first or repeated offence, whether there is evidence of deliberate deceit and

whether advantage has been taken of another student. In some cases this can result in the suspension of the student from enrolment in the university. In all cases however, a record of any offence and/or incident, along with correspondence, will be placed permanently on the students' individual record file held at the university.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details can be accessed at: <http://www.student.mq.edu.au>

Further, CME (formerly NCELTR) staff conduct 4 weeks of workshops focussing on study skills and writing skills specifically for MAcc students, see www.accg.mq.edu.au/ss/macc/timetables for the timetable.

LECTURE OUTLINE

WEEK and DATE	TOPIC	CHAPTER REFERENCE	HOMEWORK Due following week	
1 18 August	Introduction Financial Statements, Cash Flows and Taxes <i>CME: Group assignment and teamwork skills</i>	Ch 1, omit 1.7 Ch 2 <i>This is an important component of the unit,</i>	Discussion Questions# CQ 1.2 CQ 1.4 CQ 2.2	1.3 2.4 2.7 2.10 2.13 2.22 <i>attendance is compulsory</i>
2 25 August	Financial Analysis and Planning	Ch 3 & 4	CQ 3.2 CQ 3.4 a&b CQ 4.3	3.1 3.3 3.10 3.17 3.18 3.19 3.21 3.22 4.1 4.2 4.6 4.9 4.15 4.23
3 1 September	Time Value of Money	Ch 5	CQ 5.1 CQ 5.6 5.18	5.1 5.2 5.3 5.4 5.5 5.8 5.14 5.16 5.22 5.25 5.34 5.36 5.53 5.54
4 8 September	Bond and Share Valuation Capital market Efficiency	Ch 6 Ch 10 only 10.6	CQ 6.1 CQ 6.2 10.16	6.3 6.7 6.8 6.11 6.13 6.14 6.23 6.30 10.17 10.19
5 15 September	Risk and Return	Ch 10 & 11	CQ 10.4 CQ 10.5 CQ 11.3	10.3 10.4 10.5 10.12 11.211.3 11.8* 11.14 11.15 11.17 11.22 11.30
6 22 September	Financial Markets and Instruments	Ch 14, omit 14.4 Ch 15, omit 15.4 Ch 16, only 16.1, 16.5, 16.7	CQ14.1 CQ 15.5 CQ 16.1	14.1 14.2 15.5 15.11 16.14
Sat 27 Sept	MID TRIMESTER	EXAM		
7 29 September	Investment Criteria	Ch 7	CQ 7.1 CQ 7.3 CQ 7.5	7.5 7.6 7.11 7.20 7.28 7.29 7.30
8 6 October	Investment Decisions	Ch 8	CQ 8.2 CQ 8.3 CQ 8.4	8.5 8.7 8.10 8.13 8.17 8.20
9 13 October	Investment Evaluation	Ch 9	CQ 9.3 CQ 9.5 9.15	9.4 9.14 9.17 9.20
Wed 15 Oct, 9am	Group Assignment	ERIC Box		
10 20 October	Cost of Capital	Ch 17	CQ 17.1 CQ 17.2 CQ 17.5	17.1 17.2 17.5 17.10 17.12 17.15 17.16 17.23
11 27 October	Capital Structure Policy	Ch 19	CQ 19.2 CQ 19.5 CQ 19.6	19.2 19.3 19.8 19.10 19.14 19.15 19.17 19.23
12 3 November	Dividend Policy	Ch 18	CQ 18.2 CQ 18.3 CQ 18.5	18.4 18.5 18.7 18.11 18.28
10-15 November	FINAL EXAM PERIOD			

Discussion Questions include Concept Questions (CQ) from within the body of the chapter. For example, CQ 1.2 refers to the 3 Concept Questions on page 10 of the text.

* amendments to parts d & e on Web