



Division of Economic and Financial Studies

Department of Accounting and Finance

ACCG 253 Financial Management

1st half year 2004

Unit outline (1st March 2004)*

**Student Resource Centre
Division of Economic & Financial Studies
MACQUARIE UNIVERSITY**

*** The unit outline is to be considered together with information provided through the on-line teaching facility and/or through lectures. It is from 1st March 2004 available through the Economics Resources and Information Centre (ERIC) and through the on-line teaching facility
<http://online.mq.edu.au/public/ACCG253>.**

0. Acknowledgement

This document is in parts the result of a collaborative effort by unit-administrators and lecturers in ACCG 253 Financial Management. Errors that remain are the responsibility of the unit-convenor.

1. Unit Objectives

This introductory unit explores finance theory and explains applications in an Australian context. It is an ideal unit for those who seek an overview of financial management. It is an essential unit for those who seek further study in either corporate finance or in asset pricing.

The central idea in this unit is the trade-off between risk and return. This idea is applied to problems in corporate finance and in the pricing of both financial and real assets. The background is the theory of the firm. Of particular interest are the influences of corporate objectives and strategy on the finance function. Essential are also the principles of discounting and their application to pricing of equities and bonds and to project evaluation.

The topic areas covered include time value of money, risk and return, the capital asset pricing model, investment evaluation, capital structure, dividend policy and an introduction to futures and options.

2. Prerequisites

The 2003 prerequisites, as set out in the 2nd semester unit outline, are: "ACST 100 or ACST 101 or ACST 110; ACCG 101 or ACCG 105; BBA 103 or 30 cp or ACCG 101 (Cr) or ACCG 105 (Cr)".

The 2004 prerequisites, as set out in both the Macquarie University Handbook of Undergraduate Studies 2004 and in the on-line version through <http://handbook.mq.edu.au> are: "ACCG 100 or ACCG 105; ECON 111 or BBA 103; STAT 170 or STAT 171; ACST 101; 27 credit points".

3. Faculty

The below table lists the faculty on the unit, defines their roles and sets out contact details:

Faculty	Title	Lecturer ID	Unit -	Room (C5C-)	Phone (9850-)
LIM, Roslinda	Ms.		Administrator	420	9173
PERERA, Ryle	Dr.	[RP]	Lecturer	443	8578
PROIMOS, Alex	Mr.	[AP]	Administrator + Lecturer	418	9179
TRUUVERT, Toomas	Mr.	[TT]	Convenor + Lecturer	447	8524

4. Faculty Consultation

A schedule of faculty consultation times is available through the on-line teaching facility.

Note: published consultation times are effective for weeks 1-6 and 7-13 i.e. no consultation in the mid-semester break. A schedule of mid-semester test consultation

times is available through the on-line teaching facility from 5th week of semester. A schedule of end-of-semester final examination consultation times is available through the on-line teaching facility from 12th week of semester.

The purpose of faculty consultation is to enable participants to "in-person and in-office" address matters which cannot otherwise be resolved. Such matters can include enquiries on (with the first point of contact shown in brackets):

- tutorial attendance-participation-assessment (unit-administrators)
- content in lectures (lecturer who gave the lecture)
- content in tutorials (tutor who gave the tutorial)
- mid-semester test assessment (tutor who marked test paper)
- assessment tasks (unit-convenor)
- teaching and learning (unit-convenor)
- on-line teaching facility (unit-convenor).

In contrast, matters which can otherwise be resolved (and therefore are not considered to be "in-person and in-office" matters) can include:

- enquiries which can be resolved by use of information and materials through the on-line teaching facility, and
- assistance with tutorial assignment exercises prior to their scheduled work-out in a tutorial.

5. Lecture Times and Locations

Attendance at lectures is not compulsory. Yet, an association exists between regular attendance and performance in assessment tasks. Lecture times and locations are set out in the below table:

Weekday	Start time	Location
Thursday	13:00 (1:00PM)	E7B (Mason)
Thursday	18:00 (6:00PM)	C5C T2
Friday	11:00 (11:00AM)	W5B (Macquarie Theatre)

6. Tutorial Groups ("Classes")

Matters which concern tutorial group attendance must be resolved by Friday 5th March. Change of program activities can be done both through "eStudent" <https://student1.mq.edu.au/t1tbmain.asp> (conditions apply) and in Building E7B.

Note: ACCG 253 Financial Management unit-administrators will not process applications for change of tutorial group.

Tutorial group ("class") lists are through the on-line teaching facility available by the first tutorial in the 2nd week of semester. To access the lists, simply "click" on the icon labelled "Tutorial Groups ("Classes")".

7. On-line Teaching Facility

The on-line teaching facility is available through <http://online.mq.edu.au/public/ACCG253>. The facility is intended as a "communication hub" and as a repository of materials which are used in the unit. Examples of content are set out in bullet points below:

- a "bulletin board" for announcements and information from faculty
- "private" e-mail facility for messages to faculty and peers
- unit materials, outline of weekly lecture content and solutions to tutorial assignments
- schedule of faculty consultation times
- schedule of tutorial groups ("classes")
- link to "eStudent" - <https://student1.mq.edu.au/t1tbmain.asp>
- links to university policies such as:
 - plagiarism and cheating - <http://www.student.mq.edu.au/plagiarism/>
 - copyright information - <http://www.copyright.mq.edu.au/student.html>
 - legal notice - <http://www.efs.mq.edu.au/legal.html>
 - special consideration - <http://www.efs.mq.edu.au/supexams.htm>
- link to the publisher maintained on-line quiz center "Max-Mark" - <http://www.mcgraw-hill.com.au/mhhe/fin/peirson8e/homepage.htm>.

8. Prescribed Text

Peirson, G. et. al. (2002). Business Finance (8th ed.). McGraw-Hill: Sydney, Australia.

9. Assessment Tasks

The unit has three (3) assessment tasks which are set out and explained below (with assessment weights shown in brackets):

- Tutorial Group Attendance-Participation-Assessment (10%)
- Mid-semester Test (30%)
- End-of-semester Final Examination (60%)

a) Tutorial Group Attendance-Participation-Assignments (10%)

To "pass" the unit, the expectation is a tutorial attendance (maximum 2%) of at least 7 out of 11 tutorials with a level of participation (maximum 2%) i.e. discussion, which by the tutor is considered to be at least "satisfactory".

In addition, tutorial assignments (maximum 6%) are set for each tutorial. The expectation is for these to be completed prior to tutorial group attendance. On two (2) occasions which are not advertised, assignments are collected by the tutor and marked as: S(satisfactory)-, S(satisfactory) or S(satisfactory)+. To "pass" the unit, the expectation is attainment of at least a S(atisfactory) result. Marked assignments are returned in tutorials in the semester week which follows collection.

Tutorial assignment solutions (TAS) are available with up to a one (1) week delay through the Economics Resources and Information Centre (ERIC) and through the on-line teaching facility.

b) Mid-semester Test (30%)

In addition to (a) above, participants are required to attempt the mid-semester test which is scheduled for the 7th week of semester from 18:00 (6:00PM) on Friday 30th April (rooms to be advised).

Absence at the test which is uncertified results in loss of all marks for this assessment task. Total time available is 90 minutes plus 10 minutes of reading time. The test consists of questions which require short answers and questions which require

extended answers and/or calculations. Questions can be based on any lecture topic from the 1st week of semester through the 6th week of semester and on any tutorial assignment from the 2nd week of semester through the 6th week of semester.

A schedule of mid-semester test consultation times is available from 5th week of semester. A topics guide is presented in the 6th week of semester lectures and is available afterwards through the on-line teaching facility.

Mid-semester test papers are assessed by tutors. Marked test papers are only returned in tutorial groups. Matters about assessment must be resolved through the tutor who marked the test paper and must be done within two (2) calendar weeks from receipt of the marked test paper.

Note: no supplementary mid-semester test is offered.

c) End-of-semester Final Examination (60%)

In addition to (a) and (b) above, participants must attempt the compulsory end-of-semester final examination and achieve at least a "pass" result.

For precise information on the examination date, time and location see the 1st half year examination timetable available through <http://www.student.mq.edu.au>.

Absence at the end-of-semester final examination which is uncertified results in an overall grade in the unit of "FA" - "Fail Absent". Total time available is 180 minutes plus 10 minutes of reading time. The examination consists of two parts. The first part has "multiple-choice" questions only. The second part has questions which require extended answers and/or calculations. In addition, this assessment task is "comprehensive". Accordingly, questions can be based on lecture topics and tutorial assignments from the 1st week of semester through the 13th week of semester.

A schedule of end-of-semester final examination consultation times is available from 12th week of semester. An end-of-semester final examination topics guide is presented in the 13th semester week revision lectures and is available afterwards through the on-line teaching facility.

10. Grading

The final grade in this unit is based on the three (3) assessment tasks set out in section 9 above. Raw marks are given on each assessment task. From the raw marks a scaled mark is derived which determines which Standardised Numerical Grade (SNG) is awarded.

The SNG's is not a mark but a ranking of students based on marks obtained from all facets of the unit assessment. The SNG's awarded in a particular unit are designed to indicate that students in each performance band, from PC to HD, have satisfied the criteria for inclusion in that band and ranks them by their performance within that band.

Since the ranges of SNG's differ from band to band, the relationship between raw marks and SNG's may differ from band to band even within the same unit. The relationship between raw marks and SNG's would almost always differ between units.

Grades allocated are set out in the Bachelor Degree Rules 10(2), as follows:

HD	High Distinction	Denotes performance which meets all the unit objectives in such an exceptional way and with such marked excellence that it deserves the highest level of recognition.
D	Distinction	Denotes performance which clearly deserves a very high level of recognition as an excellent achievement in the unit.
CR	Credit	Denotes performance which is substantially better than would normally be expected of competent students in the unit.
P	Pass	Denotes performance which satisfies unit objectives.
PC	Conceded Pass	Denotes performance which meets unit objectives only marginally.
F	Fail	Denotes performance which does not meet unit objectives.

Source: Handbook of Undergraduate Studies 2004 (p.88).

In addition, the grade of "FA" (Failed Absent) denotes a performance which does not meet unit objectives and where the candidate was absent from a compulsory end-of-semester final examination.

11. Calculator

Use of a non-programmable calculator which is without alphanumeric (text) capability is permitted in the mid-semester test and in the end-of-semester final examination.

12. Translation Dictionary

The use of a translation dictionary is not permitted in the mid-semester test and in the end-of-semester final examination.

13. On-line Quiz Center ("Max-Mark")

Through the on-line teaching facility a link is provided to "Max-Mark" which is a publisher provided and maintained on-line quiz center. Therefore, direct all enquiries on access and content to the publisher. Information on how to access "Max-Mark" is available both in Peirson et. al. (2002) and at the publisher's web site which is available through the on-line teaching facility.

Note: "Max-Mark" quizzes are not assessable. Quizzes are made available as a study tool to assist with comprehension of concepts introduced in Peirson et. al. (2002). Further, quiz questions are not intended as illustrations of assessment task questions in ACCG 253 Financial Management.

14. "Helpful" Hints

In our experience, successful participants consider the below five (5) "helpful" hints:

- prior to lectures read the set material in the text, and outline of lecture content
- prior to tutorial group participation complete the tutorial assignment
- regularly revise lecture content and tutorial assignments
- frequently monitor content and announcements made in the on-line teaching facility
- expect to set aside nine (9) hours for work per semester week which includes attendance at lecture and tutorial group. For additional information, see <http://www.registrar.mq.edu.au/Undergrad/Enrolment/Web04.pdf>.

15. Schedule of Activity

The schedule of activity is to be read together with content in the on-line teaching facility and information provided in lectures and/or tutorial groups.

Week	Date	Topic	Pre-read	Tutorial Assignment
01 [TT]	01 Mar	Introduction to financial management	Ch 1, 2 & 3	N/a
02 [AP]	08 Mar	Time value of money and security valuation	Ch 4	T1: Ch 1 - Q9; Ch 2 - Q3, P1; Ch 3 - P12, P22, P 37, P 38, P39
03 [AP]	15 Mar	Project evaluation	Ch 5 & 6	T2: Ch 4-P1, P2, P3, P4 & additional questions
04 [RP]	22 Mar	Portfolio theory and asset pricing	Ch 7	T3: Ch 5 - P1, P2, P4; Ch 6 - P1, P2, P3, P6
05 [RP]	29 Mar	As in 3 rd week	As in 3 rd week	T4: Ch 7 - P1, P3, P4, P5, P6 & additional questions
06 [TT]	05 Apr	Capital structure decisions	Ch 13	T5: Ch 7 - P7, P8 & additional questions

Note (1): Friday 9th April is a public holiday i.e. no lecture or tutorials.

Note (2): Mid-semester break see <http://www.mq.edu.au/studymq/dates.html>.

Week	Date	
07	26Apr	No lectures or tutorial groups ("classes").

Note (3): Monday 26th April is a public holiday i.e. no consultation time.

Note (4): A mid-semester test is held in the 7th week of semester from 18:00 (6:00PM) on Friday 30th April (rooms to be advised). A schedule of mid-semester test consultation times is available from 5th week of semester.

Week	Date	Topic	Pre-read	Tutorial Assignment
08 [RP]	03 May	Capital market efficiency	Ch 17	T6: Ch 13 - P1, P2, P3, P4
09 [RP]	10 May	Futures and options	Ch 18 & 19	T7: Ch 17 -Q1, Q3, Q4, Q10, Q12, Q15 & additional questions
10 [TT]	17 May	Cost of capital & tax in project evaluation	Ch 15	T8: Ch 18 - Q1, Q2, P2, P3 Ch 19 - Q1, Q3, P5, P6 & additional questions
11 [TT]	24 May	Dividend policy decisions	Ch 12	T9: Ch 15 - Q1, Q7, Q11, P1, P4, P14
12 [TT]	31 May	Working capital management	Ch 20	T10: Ch 12 - Q12.2, Q12.4, Q12.14, P12.5 & additional questions
13 [TT]	07 Jun	Revision	N/a	T11: Ch 22 - Q22.3; Ch 23 - Q23.1, P23.2; Ch 24 - P24.1; Ch 25 - Q25.2

Note (5): a schedule of end-of-semester final examination consultation times is available from 12th week of semester.