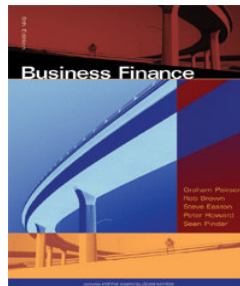




**Division of Economic and Financial Studies  
Department of Accounting and Finance**



**Financial Management**

**ACCG 253  
Course Outline**

**Semester 2, 2006**

**<http://online.mq.edu.au/public/ACCG253>**

## 1. Objectives

ACCG 253 course introduces students to finance theory, financial decision making and financial practice. It addresses the theoretical and practical aspects of Corporate Finance. The main areas covered in this course are Time Value of Money, Principles and Methods of Project Evaluation, Portfolio Theory and Capital Asset Pricing Model, Capital Market Efficiency, Capital Structure Decisions, Cost of Capital & Taxation, Sources of Short-term and Long-term Finance, Dividends and Share Repurchases, Analysis of Takeover and an Introduction to Futures & Options. Students are expected to understand the principles of discounting and their application to the pricing equities and bonds. It is an essential unit for those who seek further study in either Corporate Finance or in Asset Pricing.

By following this course students will strengthen their analytical and quantitative skills while extending their knowledge of Corporate Finance. They are able to study some of the crucial practical areas of financial management and its key theoretical issues in company valuation.

## 2. Current Pre-requisites for ACCG 253

ACCG100or ACCG 105; ACST101; ECON111 or BBA103; STA170 or STAT171; 27 cp or ACCG 100 (Cr) or ACCG 105 (Cr).

## 3. Faculty

|                          |                               |               |
|--------------------------|-------------------------------|---------------|
| Dr. Ryle Perera [RP]     | Lecturer-in-Charge, Tutor     | Ph: 9850 8578 |
| Mr. Toomas Truuvert [TT] | Lecturer                      | Ph: 9850 8524 |
| Mr. Alex Proimos [AP]    | Lecturer, Tutor               | Ph: 9850 9179 |
| Dr. Egon Kalotay [EK]    | Tutor                         | Ph: 9850 8490 |
| Mr. Nidal Danoun [ND]    | Adjunct Lecturer              |               |
|                          | E-mail: ndanoun@efs.mq.edu.au |               |

## Unit Administrator

|               |                            |               |
|---------------|----------------------------|---------------|
| Mr. David Siu | E-mail: dsiu@efs.mq.edu.au | Ph: 9850 9193 |
|---------------|----------------------------|---------------|

## 4. Text

Peirson, Brown, Easton, Howard and Pinder (2006), **Business Finance**, 9<sup>th</sup> edition, McGraw-Hill.

## 5. Faculty Consultation

Consultation times will be posted on WebCT. Consultation is only available for material covered in lectures and tutorials, and where the student has attended the relevant session.

## 6. Assessment Tasks

|  |            |
|--|------------|
| <b>Tutorial participation and attendance</b> | <b>10%</b> |
| <b>Mid-Semester Test</b>                     | <b>30%</b> |
| <b>Final Examination</b>                     | <b>60%</b> |

In order to pass this unit, each week you must attend your assigned tutorial class, complete tutorial assignments prior to class, perform satisfactorily in the mid-semester examination and pass the final examination. Non-programmable calculators will be allowed for Mid-Semester as well as Final Examinations.

- **Mid-Semester Test (30 %)**

Total time available for the Mid-Semester test is 90-minutes plus 10 minutes of reading time. The test is based on the topics covered during lectures 1 to 6 (including assigned chapters in the prescribed text plus lecture notes). It will be held on Saturday **07<sup>th</sup> October at 10.00 AM**- (**see webCT for definite date, time and location**). The format of the exam is: short answers, extended responses and/or some calculations. It is an integral part of the assessment for this subject and hence your attendance is mandatory. Absence will result in a mark of 0 (zero) unless a properly documented reason, such as a medical certificate is provided. In that case, the weight of the mid-semester-test will be added to the weight of the Final Exam (there will be no supplementary mid-semester -test).

The test papers (including answer sheets) will be returned to students after tutors have marked them. Disputes that may arise with regard to marking of papers must be resolved with tutors within two weeks after students receive their test papers. Request for revision or remarking of papers is not accepted after this period.

- **Final Examination (60%)**

The Final Exam will be a comprehensive three (3) hour paper, which will include questions which require short answer and questions as well as questions which require extended answers and/or calculations. Details will be posted on the unit's WebCT-Home Page by teaching week-11. All lecture topics (weeks 1-13), including assigned chapters in the prescribed text plus lecture notes and all tutorial exercises are examinable. You must attend the Final Examination, unless clearly prevented from doing so by illness or misadventure. Applications for special consideration will only be processed if the student has correctly followed the prescribed application process, which is explained in the following web address:  
<http://www.reg.mq.edu.au/Forms/APSCons.pdf>

- **Tutorials and Assignments (10%)**

Tutorials will commence in the 2<sup>rd</sup> week of the semester. Students **must** attend the allocated tutorial class. For an alternative tutorial class E-mail the unit administrator (**Mr. David Siu: [dsiu@efs.mq.edu.au](mailto:dsiu@efs.mq.edu.au)**) your name, student number and one tutorial preference before the end of the 2<sup>nd</sup> teaching week. Yet it will not be a guarantee for change.

Five marks are allocated for full attendance (in weeks 2-13). One (1) mark is deducted for a tutorial missed (excluding public holidays, illness supported by a medical certificate, or tutor absence). Five or more missed tutorials will result in a fail in this assessment of the course.

Five (5) marks will be allocated for completing tutorial work and tutorial participation (as determined by the tutor). Three (3) lots of tutorial work will be collected randomly by the tutor. The two best marks will be used when compiling a tutorial mark.

## 7. Unit WebCT site

All course material and announcements will be available through the unit home page <http://online.mq.edu.au/public/ACCG253>. General announcements, information and replies to frequently asked questions will be posted under the announcements icon. Therefore it is the student's responsibility to access the home page regularly in order to keep up to date with information provided. For assistance with webCT contact IT support staff. Contact details are set out on the university's webpage. In addition lecture notes and solutions to tutorial exercises will be available through a series of controlled releases on this site.

Note: Test and examination dates, times and locations will be posted on the home page.

## 8. Lecture Times and Locations

Students must attend the lecture in which they have enrolled. Attendance at lectures is not compulsory, but highly recommended. Preparation for lectures include: reading both the assigned chapters in the prescribed text and lecture notes.

- |           |          |              |           |
|-----------|----------|--------------|-----------|
| • Day     | Monday   | 08.00- 10.00 | W5B MACTH |
| • Evening | Monday   | 18.00-20.00  | W5BMACTH  |
| • Day     | Thursday | 17.00-19.00  | W5BMACTH  |

## 9. Plagiarism and Collusion

Plagiarism and collusion are offences, and the University takes cases of such offences very seriously. Please refer to the document located at:

<http://www.student.mq.edu.au/plagiarism/>

## 10. Grades

The final grade in this unit is based on the above mentioned three (3) assessment tasks (outlined in section 6). 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 is purely a rank and is not the weighted aggregate of the raw marks for the assessment tasks.

Under the current grading system, a standardised numerical grade (SNG) will be awarded together with a band grade HD, D, Cr, P, PC, or F.

All enquiries/appeals regarding grades for ACCG253 must be submitted through ERIC (E4B 106) on the 'Appeal against Final Grades' form. Before proceeding, please read the important information located at:

[http://efs.mq.edu.au/services/how\\_grade.htm](http://efs.mq.edu.au/services/how_grade.htm)

**Best wishes from all the lecturers and tutors.**

## WEEKLY LECTURE/TUTORIAL PROGRAM

| Week | Date             | Topic   | Chapter | Lecturer | Tutorial Assignments                        |
|------|------------------|---|---------|----------|---|
| 1    | 31 July<br>3 Aug | Introduction  | 1 & 2   | RP       | No Tutorials this week                      |
| 2    | 7 & 10<br>Aug    | Value of Shares and Bonds                                 | 3 & 4   | TT       | Ch1: Q1,2,10,15<br>Ch2: Q2,3,4; P1,2        |
| 3    | 14 & 17<br>Aug   | Project Evaluation  | 5 & 6   | AP       | Ch3: Q4,7; P17,19,28<br>Ch4: Q3,9; P2,6, 8  |
| 4    | 21 & 24<br>Aug   | Portfolio Theory and Asset Pricing                        | 7       | AP       | Ch5: Q1,2,3,4,5<br>Ch6: Q1,4,11<br>P1,3,5,7 |
| 5    | 28 & 31<br>Aug   | Capital Market Efficiency                                 | 17      | AP       | Ch7: Q2,3,5,6<br>P2,3,4,5,7,8,9             |
| 6    | 4 & 7<br>Sept    | Capital Structure:<br>Principles and Decisions            | 13 & 14 | TT       | Ch17: Q2,3,4,10,13,<br>15,17,18             |
| 7    | 11 & 14<br>Sept  | Cost of Capital and<br>Taxation: In Project<br>Management | 15      | TT       | Ch13: Q1,3; P3,4<br>Ch 14: Q1,5,12          |

Mid-semester break 16<sup>th</sup> September to 2<sup>nd</sup> October 2006

|   |               |   |               |    |                                |
|---|---------------|---|---------------|----|--------------------------------|
| 8 | ***<br>05 Oct | Funding Assets:<br>Short-term & Long-term | 9, 10 &<br>11 | TT | Ch 15: Q4,7,9;<br>P1,5,6,16,19 |
|---|---------------|---|---------------|----|--------------------------------|

Mid-Semester Test : Saturday 7<sup>th</sup> October 2006 Chapters 1 to7, 13, 14 & 17

|    |                  |  |         |    |   |
|----|------------------|--|---------|----|---|
| 9  | 9 & 12<br>Oct    | Dividend and Share<br>Repurchase Decisions | 12      | ND | Ch 9: Q6,7; P3,4,6<br>Ch10: Q13,18; P1,4,5<br>Ch11: Q1,15; P3,4 |
| 10 | 16 & 19<br>Oct   | Management of Short-term<br>Assets         | 22 & 23 | ND | Ch12: Q2,7,10,13,14,15<br>P1,4                                  |
| 11 | 23 & 26<br>Oct   | Analysis of Takeover                       | 20      | ND | Ch22: Q1,4; P4,5<br>Ch23: Q2,8,9; P2,3,6                        |
| 12 | 30 Oct<br>02 Nov | Futures & Options                          | 18 & 19 | RP | Ch20: Q2,5,7,11,15<br>P1,2,4                                    |
| 13 | 06 & 09<br>Nov   | Summary and Review                         |         | RP | Ch18: Q 1,3,5; P 1,2<br>Ch19: Q 1,2,3,8,10<br>P 1,7             |

**\*\*\*Please note that in week 8 there will be only one lecture given on the THURSDAY, 05 October at 17.00 –19.00 hrs due to Monday, 02 October being a public holiday . You are permitted to attend this lecture provided there is no over crowding which would be at the lecturer's discretion. If not the lecture notes and a recording of the lecture will be available on the webCT .**