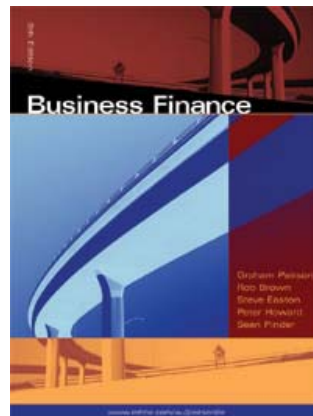




**ACCG 253
FINANCIAL MANAGEMENT**

**UNIT OUTLINE
1st SEMESTER 2006**

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



**DEPARTMENT OF ACCOUNTING & FINANCE
DIVISION OF ECONOMIC & FINANCIAL STUDIES**

Unit Description

ACCG253 is an introductory subject to the world of Corporate Finance. Corporate Finance is concerned with corporate tasks directed to the financing, investing and dividend distribution of the resources of a corporation in ways consistent with the objective of the corporation. ACCG253 deals with these tasks in the context of the Australian corporate environment and provides students with an understanding of the key concepts in the study of finance.

Learning Outcomes

By the end of ACCG 253, students should understand the following financial management issues:

- Principles and methods of project evaluation
- Portfolio theory and asset pricing.
- Capital market efficiency.
- Cost of capital and taxation.
- Sources of short-term and long-term finance
- Dividends and share repurchases as strategic decisions.
- Capital structure within a dynamic framework.
- Futures, options and contingent claims.
- Management of short-term assets.

Further, the course should help students develop the following generic skills:

- Familiarity with the language of finance.
- Ability to think at the abstract level required in finance.
- Ability to solve problems and express solutions within Excel.
- Capacity to comment on events reported in the financial press.

Pre-requisite

The pre-requisites for this unit are: ACCG100 or ACCG105; ECON111 or BBA103; STAT170 or STAT171; ACST101; 27cp or ACCG100(Cr) or ACCG105(Cr).

Faculty

Dr. Mehdi Sadeghi	[MS]	Lecturer-in-charge	Ph: 9850 8527
Mr. Toomas Truuvert	[TT]	Lecturer	Ph: 9850 8524
Dr. Ryle Perera	[RP]	Lecturer	Ph: 9850 8578
Ms. Roslinda Lim	[RL]	Lecturer	Ph: 9850 9173
Mr. Alex Proimos	[AP]	Unit-administrator	Ph: 9850 9179

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

Assessment

Tutorial attendance and participation	10%
Online test	5%
Mid-semester test	25%
End-of-semester (final) examination	60%

To achieve a minimum of a pass grade in the unit, students need to successfully:

- attend and participate in weekly tutorials
- attempt the during-semester tests
- attempt the end-of-semester (final) examination and achieve a minimum of a pass grade.

Prescribed text

Peirson, Brown, Easton, Howard, and Pinder (2005) Business Finance. (9th ed) McGraw Hill Australia.

All other readings will be available in PDF form through WebCT and in hardcopy through ERIC.

Unit WebCT site

All course materials and announcements will be available through the unit's WebCT site at <http://online.mq.edu.au/public/ACCG253>. General announcements, information and replies to frequently asked questions will be posted under an Announcements icon on the homepage. Therefore, it is essential students access the unit site regularly. Students with login difficulties should contact the IT support staff on Level 1 of the library. Lecture notes and solutions to tutorial exercises will be available through a staged release.

Lectures

Lectures are conducted in three strands:

- | | | | | |
|--------------------------|---------|----------|---------------|-----------|
| <input type="checkbox"/> | Day | Thursday | 13:00 – 15.00 | E7B MASON |
| <input type="checkbox"/> | Evening | Thursday | 18:00 - 20:00 | W5B MACTH |
| <input type="checkbox"/> | Day | Friday | 11:00 - 13:00 | W5B MACTH |

Students must attend the lecture in which they have enrolled.

Policy on Cheating and Plagiarism

The University policy on cheating and plagiarism applies in this unit. The policy can be accessed through the University's home page. Students are advised to read the policy, which can be located at:

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

Mid-Semester Test

Mid-semester test will be held in week 6 on Saturday 8th of April at 1:00 pm. This test will cover the topics of week 1-6 inclusive. The format of the test is short answers, extended responses, and/or some calculations. The tests will be returned to students after they are marked by tutors. Any disputes that may arise with regard to marking of papers must be resolved with tutors within two weeks after the date that papers are returned to students. Request for revision or remarking of papers is not accepted after this period.

You must attend the test, unless clearly prevented from doing so by illness or misadventure. In that case, the weight of the test(s) will be added to the weight of the final exam (there will be no supplementary test)

Final Examination

The end-of-semester (final) examination is of three-hour duration. Details will be posted on the unit's WebCT site notice board by the 11th week of the semester. All lecture topics and tutorial exercises are examinable.

Unless prevented by illness, misadventure or unavoidable disruption students must attempt the end-of-semester exam at the time scheduled by the University. Special consideration will be given only to students who throughout the semester have achieved a satisfactory progress in all other assessment components.

Special consideration requests will only be considered if the student has correctly followed the prescribed application process, which is explained here:

<http://www.reg.mq.edu.au/Forms/APSCons.pdf>

Grades

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.

The SNG is purely a rank, and is NOT the weighted aggregate of the raw marks for the above assessment components. It is rather a detailed grade that is chosen from 0 to 100 based on other criteria as well as the raw marks. An SNG of, say, 62 or 63 does NOT mean that the student's aggregate mark is one or two marks below the threshold for a Cr. The mark informs the student that he/she performed better than most other students in the P band but was not quite of the quality needed for a Cr.

All enquiries about grades for ACCG253 must be submitted in ERIC (E4B 106) on the 'Appeal Against Final Grades' form. Before proceeding, please read the important information at: http://www.efs.mq.edu.au/services/how_grade.htm

ATTENDANCE AND PARTICIPATION (10%)

Five marks are allocated for attendance. Students will lose 1 mark for each tutorial missed (excluding public holidays, illness supported by a medical certificate, or tutor absence). A student who misses five or more tutorials will have failed the course.

Five marks will be allocated for completing tutorial works and participation. During the semester, three lots of tutorial work will be collected in randomly selected weeks. The best two marks will be used in forming your tutorial mark.

LECTURE, TUTORIAL AND ASSESSMENT SCHEDULE					
Week	Date	Topic	Chapter	Lecturer	Assignments and Tests
1	27 Feb	Introduction	1, 2	MS	No tutorials this week
2	6 Mar	Value of shares and bonds	3, 4	TT	Ch 1: Q 1, 2, 9, 14, 15 Ch 2: Q 2, 4; P, 1
3	13 Mar	Project evaluation	5, 6	TT	Ch 3: P19, 24, 26 Ch 4: P4, 6, 8
4	20 Mar	Short-term funding	8, 9	TT	Ch 5: P4, 5, 7 Ch 6: P6, 9, 13
5	27 Mar	Long-term funding	10, 11	TT	Ch 8: None Ch 9: P3, 4, 5, 6, 7
6	3 April	Capital structure decisions	13, 14	RL	Ch 10: P3, 4, 5 Ch 11: P1, 2, 3
	8 April	Mid-Term test, Chapters 1-6, 8-11, 13-14			
7	10 April	Dividend and share repurchase decisions	12	RL	Ch 13: Q 9, 11, 12; P: 5 Ch 14: Q 1, 3, 6, 8, 12, 15
		Mid-term Break			
8	1 May	Portfolio theory and asset pricing	7.1-7.5	RP	Ch 12: Q: 2, 4, 7, 12, 13, 16; P: 1, 2, 5
9	8 May	Capital market efficiency	7.6-7.1.1 17.1-17.6	RP	Ch 7: Q: 2, 3 P: 3, 4, 5, 6, 9 (a), (b)
10	15 May	Cost of Capital and taxation issues	15	MS	Ch 7: Q: 6, 7 P: 7, 8 Ch 17: Q: 1, 3, 11, 12
	13 May	Online test, Chapters 12, 7, 17, 15			
11	22 May	Futures & Options	18, 19	MS	Ch 15: Q: 1, 2, 6, 11 P: 2, 3, 4, 7, 10, 13
12	29 May	Management of short-term assets	22, 23	MS	Ch 18: Q: 1-3 P: 1 Ch 19: Q 1-4, P: 1-2, 7
13	5 June	Summary and Review		MS	Ch 22: Q 1, 4, 10 P: 1 Ch 23: Q 1-2, 7-8 P: 2, 5