



**Division of Economic and Financial Studies (EFS)
Department of Accounting and Finance (DA&F)**

**Unit Outline* (Short Form)
Second (2nd) Half Year 2007**

ACCG253 FINANCIAL MANAGEMENT

*"...Finance is not...a set of formulas. Rather, it is the consistent application of a few sensible rules and themes."
Grinblatt & Titman (2002)*

- Unit-convenor:** Mr. Toomas Truuvert. Room E4A228. Phone (02) 9850-8524.
- Pre-requisites:** (ACCG100 or ACCG105) and (ECON111 or BBA103) and (STAT170 or STAT171) and ACST101 and (27cp or GPA of 2.00).
- Required text:** Peirson et al. (2006) Business Finance (9th ed.). McGraw-Hill Irwin.
Note: use only this edition for quiz and End-of-semester (Final) Examination study.
- Unit Outline:** Should be read in Lecture Week L01. It contains important information on continuous assessment, including on-line quiz taking procedures. **Note:** if any content is unclear, ask the Unit-convenor.

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ACCG253 2nd Half Year 2007

0. Description/Objectives/Learning Outcomes

This introductory unit in corporate finance focuses on the financing and investing decisions made by finance managers. While the emphasis is on the theory of the firm, exposure is also given to current issues affecting corporate finance in Australia.

A satisfactory completion of the unit achieves a basic understanding of fundamental principals in the following topics: capital budgeting, capital structure, security valuation, asset pricing, capital market efficiency, weighted average cost of capital, and futures and options pricing.

It provides a standalone introduction to finance for students not planning to continue with study in the area. For students intending to further their study of finance, the unit provides a conceptual basis needed for more advanced units.

In addition to the discipline-based learning objectives, this unit seeks to enhance several fundamental generic skills, namely: analytical skills, problem solving skills, numeracy skills and discussion skills.

1. Staff/Lecturers

The ID identifies lecturers in the lecture schedule [see: heading “Schedule”].

Staff	ID	Location (E4A)	Phone (Ext.)
KALOTAY, Egon (Dr.)	EK	513	8490
OKUNEV, John (Prof.)	JO	232	9282
PERERA, Ryle (Dr.)	RP	229	8578
TRUUVERT, Toomas (Mr.)	TT	228	8524

2. Work Load

Weekly attendance at lectures and tutorials, weekly lecture pre-reading, weekly attempts at tutorial exercise sets, study for assessments, quizzes and the End-of-semester (Final) Examination (and/or the Supplementary End-of-semester (Final) Examination) are part of the work load. The University anticipates that one (1) credit point in a half-year unit involves, on average, three (3) hours of work each week in that half-year [see: <http://www.reg.mq.edu.au>].

Note: therefore, plan for a work load of about nine (9) hours, on average, per week.

3. Learning and Teaching Strategy

The unit is taught by both lecture and tutorial. Given the unit’s quantitative emphasis, solutions to tutorial exercises may seldom appear either as a timely flash of inspiration or as a product of persistent application of one preferred method. Therefore, if unit content is found to be challenging, attendance and participation in Peer Assisted Learning (PAL) workshops is recommended [see: heading “Peer Assisted Learning (PAL)”]. The PAL workshops approach has successfully provided learning support in several units in the DA&F. Hence, PAL is recommended as a component of a learning strategy in this unit.

Note: the PAL workshops are not intended as a substitute for either weekly tutorial attendance or weekly attempts at tutorial exercise sets.

As an additional component of a learning strategy “MaxMark”, which is a publisher provided and maintained on-line revision tool, is highly recommended. Especially, for on-line quiz taking practice and quiz content study [see: heading “Continuous Assessment/Tasks”].

4. University/Division/Department Policy

Further to policy in the Handbook of Undergraduate Studies 2007 [see: <http://www.handbook.mq.edu.au>], both EFS and DA&F policy apply [see: http://www.efs.mq.edu.au/student_support/important_policies].

Note: the Cheating and Plagiarism Policy applies to each assessment task in this unit [see: http://www.efs.mq.edu.au/student_support/important_policies/cheating_and_plagiarism].

5. Schedule: ACCG253 Financial Management Second (2nd) Half Year 2007

Lecture Week & Lecturer ¹	Week Starts	Lecture Topic ²	Pre-read Chapter ³	Tutorial Week	Tutorial Exercise Sets
L01 [TT]	30Jul	Unit "Preview" Introduction & Financial Mathematics	1 & 3	-	None
L02 [TT]	06Aug	The Fisher Framework	2	T01	Ch1 Q9,10,12,14. Ch3 Q1,4,5,7. P17,22,26.
L03 [TT]	13Aug	Capital Budgeting I: Principals and Methods	5 & 6	T02	Ch2 Q2,3,4,5. P1,3,5.
L04 [TT]	20Aug	Capital Budgeting II: Applications	As L03	T03	Ch5 Q3,5,7,9. P3,4,7.
L05 [JO]	27Aug	Capital Structure	13 & 14	T04	Ch6 Q3,4,6,11. P.5,6,7.
L06 [JO]	03Sep	Security Valuation I: Bonds	4	T05	Ch13 Q1,3. P3,4. Ch14 Q1,5,12.
L07 [JO]	10Sep ⁴	Security Valuation II: Equity	As L06	T06	Ch4 Q3,9. P2,6,8.
Mid-semester Break					
L08 [EK]	01Oct ⁵	Asset pricing I: Portfolio Theory	7	T07	Exercises to be announced (TBA) L06/L07.
L09 [EK]	08Oct	Asset pricing II: Capital Asset Pricing Model	As L08	T08	Ch7 Q1-4. P1,3,4,6,9.
L10 [RP]	15Oct	Capital Market Efficiency & Weighted Average Cost of Capital	15 & 17	T09	Ch7 Q5,6,7,9,10. P7,8. Additional exercises TBA L09.
L11 [RP]	22Oct	Futures & Option pricing I	18 & 19	T10	Ch15 Q2,3(a),4,7. P1,2,3,5,8. Ch17 Q2,3,4,13,14,15.
L12 [RP]	29Oct	Futures & Option pricing II	As L11	T11	Ch18 Q1,3(b)(c),5,6,8. P1,2.
L13 [JO]	05Nov	Unit "Review" "End-of-semester (Final) Examination"	None	T12	Ch19 Q1,2,3,4,6,8. P2,5,7.

¹ For lecturer names and contact details, see heading "Staff/Lecturer".

² Topic content is set out in detail in the lecture notes, see heading "Lecture/Notes".

³ Exclusions from assessment are advised in lecture.

⁴ Friday 14th September is Conception Day. ACCG253 tutorial class and consultation is held as scheduled for this day.

⁵ Monday 1st October is a public holiday. Therefore, no lecture, tutorial class or consultation is scheduled for this day. The Thursday lecture room (W5B MACTH) capacity is 495 seats. Presently enrolment is estimated at about 1400, with all lecture times booked to near room capacity. A lecture should not begin unless students are seated appropriately. However, the Thursday lecture is audio recorded weekly via "iLecture" and should be available within 24 hours of the lecture, at the OLTF "Course Menu" link "Lecture/Audio".