



MACQUARIE
UNIVERSITY

ACCG253 Financial Management Unit Outline¹

Faculty of Business and Economics

accg253@efs.mq.edu.au

Semester 1, 2010

Students enrolled in this unit must read this outline carefully at the start of semester. It contains important information regarding the requirements necessary to successfully pass the unit.

If anything in this document is unclear, please consult the Lecturer-in-Charge or the Unit Administrator. If there is any change in the outline, it will be updated on the Blackboard promptly. **It is your responsibility to check the Blackboard regularly and to be aware of all course work/ assessment requirements.**

¹ Version 1.1, January 2010

1 Unit Description

This 3 credit point introductory unit in Corporate Finance focuses on the financing and investing decisions made by the finance manager of an organisation. While the emphasis is on the theory of the firm, students are also given exposure to current issues affecting corporate finance in Australia. Upon successful completion of this unit, students will understand the following principals of financial economics:

- the relation between risk and expected return
- the time value of money and valuation of securities via discounted cash flow
- The unit also provides an introduction to derivative securities.

The unit 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. Analytical, quantitative and generic skills are emphasised.

2 Pre-requisites

(ACCG100 or ACCG105 or ACCG 106) and (ECON111 or BBA103) and (STAT170 or STAT171) and ACST101 and (27cp or GPA of 2.00).

3 Teaching Staff

Lecturer-in-charge:

Dr. Ryle Perera Office: E4A 229 Ph: 9850 8578 E-mail: rperera@efs.mq.edu.au

Lecturers:

Dr. Ryle Perera Office: E4A 229 Ph: 9850 8578 E-mail: rperera@efs.mq.edu.au

Mr. Toomas Truuvert

Office: E4A 228 Ph: 9850 8524 E-mail: ttruuver@efs.mq.edu.au

Unit Administrator:

Dr. Ryle Perera Office E4A 229 Ph: 9850 8578 E-mail: rperera@efs.mq.edu.au

Consultation hours of all teaching staff can be found on the ACCG253 Blackboard site. You are encouraged to make use of these times if you are having difficulties with the course material.

4 Classes

Students are required to attend their allocated two hour lecture and an allocated one hour tutorial weekly during the semester.

The lectures will be held on Thursday 1pm-3pm in E7B MASON, Thursday 6pm-8pm in W5B MACTH or Friday 11am-1pm in W5BMACTH. Note **Friday April 2, 2010 is a public holiday (GOOD FRIDAY) and the regular lecture will not be conducted. Instead this will be replaced by an i-lecture on your WebCT.**

Tutorials will commence in the 2nd week of the semester. You must attend your allocated tutorial class. Changes to tutorial classes can be made up until the end of lecture week three (3). All tutorial changes must and can only be made via e Student.

5 Textbook

Business Finance by Graham Peirson, Rob Brown, Steve Easton, Peter Howard, and Sean Pinder, *10th Edition*, McGraw-Hill, 2009. ISBN: 978-007014467-5

6 Assessment

Your final grade will be determined by your performance during the semester as follows:

Assessment Weightings for Final Grading	
Tutorial Assignments	10%
Mid Semester Test	40%
Final Exam	50%

TUTORIALS AND ASSIGNMENTS

- Attendance at tutorials is compulsory. Tutorials are run to discuss problems with students who have attempted assigned tutorial questions beforehand. Tutorials are not a session for mindlessly copying down solutions but an opportunity for class participation. Solutions to tutorial questions will be made available on Blackboard at the end of the week following the relevant tutorial.
- You are strongly advised to attempt all assigned tutorial questions before the weekly tutorial class, and before consulting the solutions. It is very easy to be lulled into a false sense of security by simply reading questions and looking at the solutions.
- During the semester, two lots of tutorial work will be collected at the beginning of the tutorial and marked randomly by your tutor. These marks will be considered when allocating your tutorial mark.

- **If for any unforeseen circumstances you cannot attend your allocated tutorial for any week during the semester , you must email your tutorial questions to your tutor prior to the date of your tutorial, remembering to include your full name, student number and tutorial day and time.** Tutorial questions will be marked out of 5 on the basis of effort; where a non-attempt receives 0, average effort receives 2.5 and above average effort receives 5 marks.
- **Without a valid medical certificate, late tutorial homework will not be accepted under any circumstances. If you have a valid medical certificate, you must submit it to your tutor within two weeks.**

MID SEMESTER EXAM

The mid semester test will be 90-minute paper with 5 minute reading time. The paper will cover all material from lecture weeks 1 to 5 inclusive. No formula sheets, 'notes' or dictionaries will be permitted. Non-financial calculators may be used. You must achieve a **satisfactory** performance in the mid semester exam to pass the unit. The exam will be held during your allocated lecture time in week 7.

If you are unable to sit the mid-semester test due to medical or other valid reasons, you are required to submit supporting documentation within one week to the unit administrator. You will then be required to sit a later supplementary test on a date to be determined.

FINAL EXAM

The final exam will be a three hour paper with 10 minutes reading time and will be held during the University Examination period. The final exam covers all topics taught in the unit. No formula sheets or 'notes' will be permitted. Non-financial calculators may be used in the final exam. You are not permitted to use dictionaries in the final exam. You must pass the final exam in order to pass the unit. The timetable will be available in draft form approximately eight weeks before the commencement of the examinations and in final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

Note: Special Consideration and Supplementary Exams will NOT be granted under any circumstances should your coursework and/or participation be unsatisfactory i.e. less than 45%. The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration.

Information about unavoidable disruption and the special consideration process is available at: **<http://www.reg.mq.edu.au/Forms/APSCon.pdf>**

If a Supplementary Examination is granted as a result of the Special Consideration process, the examination will be scheduled after the conclusion of the official examination period. You are advised that it is Macquarie University policy not to set early examinations for individuals

or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is, the final day of the official examination period.

Only pens/pencils and non-financial calculators can be brought into an exam unless specifically permitted by the Convenor.

7 Lecture Topics, Reading and Tutorial Assignments

Important: If there are any errors in the lecture notes, tutorial solutions or any other document the problem will be corrected as soon as possible and the update version, flagging the revision will be posted on the Blackboard.

Note: Any readings during the semester that are not from the prescribed textbook will be available via the unit page on Blackboard where appropriate. Please read the appendix regarding the reading coverage carefully.

Lecture week/Lecturer ²	Week beginning	Lecture topic	Reading ³	Tutorial assignments ⁴
1 [RP] or [TT]	22 Feb	Consumption, Investment and the Capital Market	Ch2, Ch3	Ch2:Q1-3,P1-2,P6; Ch3:P13,P30,P32
2 [RP] or [TT]	01 Mar	Project Evaluation I	Ch5	Ch5:Q2-3,Q6,Q10-11, P3-4,P6
3 [RP] or [TT]	08 Mar	Project Evaluation II	Ch6	Ch6:Q1,Q3,Q6,Q13, P1,P8-9
4 [RP] or [TT]	15 Mar	Risk & Return I	Ch7	Ch7:Q2-4,Q6,P1,P3-4
5 [RP] or [TT]	22 Mar	Risk & Return II	Ch7	Ch7:Q5,Q8-10, P5,P7,P9
6 [RP] or [TT]	29 Mar	Capital Market Efficiency	Ch16	Ch16:Q1,Q3-4,Q9, Q11,Q13
Mid Semester Break [05 Apr- 16 Apr 2010]				
7 [RP] or [TT]	19 Apr	No Lectures – Mid Semester Test		
8 [RP] or [TT]	26 Apr	Security Valuation	Ch 4	Ch4:Q1-3,Q6,P2-4,P9
9 [RP] or [TT]	03 May	Capital Structure I	Ch12	Ch12:Q1-3,Q12, P3,P7
10[RP] or [TT]	10 May	Capital Structure II	Ch13, Ch14	Ch13:Q1-3,Q6; Ch14:Q1,P1
11[RP] or [TT]	17 May	Payout Policy	Ch11	Ch11:Q2-3,Q7-8,Q19, P2,P4-5
12[RP] or [TT]	24 May	Derivatives	Ch17, Ch18	Ch17:Q1,Q3,Q6-7; Ch18:Q1,Q3-4,Q7-8
13[RP] or [TT]	31 May	Review of Course		

² Lecturers' names are listed as initials. RP=Ryle Perera, TT=Toomas Truuvert

³ Reading refers to the relevant chapters in the prescribed textbook, *Business Finance 10th Edition*. Please refer to the appendix to see what is required/not required in each chapter reading.

⁴ Tutorials start from Lecture Week 2. Tutorial assignments are due the following lecture week, e.g. tutorial assignments of lecture week 1 is due lecture week 2. Tutorial in lecture week 8 will review Mid Semester Test as there are no tutorial assignments in lecture week 7.

LECTURE NOTES: will be available on the web, prior to the lecture usually the week before the lecture. Log in to the unit web page on Blackboard from: <http://learn.mq.edu.au> and check the page regularly for updates.

ABOUT READINGS AND ASSIGNMENTS: Always check the lecture notes for additional reading or additional tutorial questions. The reading guide provided above is approximate: there may be material in some of the chapters that is not covered in the unit, or there may be material in lectures not covered in the book.

8 Plagiarism

Please acquaint yourself with the University rules on plagiarism at

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

Please be aware that you can expect a zero tolerance approach to plagiarism or any other form of cheating in this unit. If you're caught, you will receive zero marks for your efforts and the matter will be pursued in accordance with University procedures.

9 Special Consideration

Students requesting special consideration should acquaint themselves with Bachelor Degree Rule 8 by reading the 2010 Handbook of Undergraduate Studies or visiting the website at <http://www.cal.mq.edu.au/>

Note that applications for special consideration must be accompanied by the appropriate supporting documentation -including a Professional Authority form if you are ill.

Please refer to <http://www.reg.mq.edu.au/Forms/APScons.pdf> for details of the requirements and the requisite forms. **If your coursework is not satisfactory, special consideration will not be given under any circumstances.**

10 Grading, Grade Reviews and Exam Script Viewing

Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results. Please see the University Handbook for more details regarding Grades and SNGs.

If you honestly believe there is an error in your final grade or that it is unfair, please submit a Grade Review application to the Faculty (in person or by proxy) at the times and place specified on the Faculty Appeals Against Final Grades and Exam Script Viewing web page:

http://businessandeconomics.mq.edu.au/for/new_and_current_students/undergraduate/ad_min_central/grade_appeals

Prior to lodging any Grade Review application, it is strongly recommended that you view your final exam script (in person or by proxy). Public script viewing session procedures can be found at the Faculty Appeals Against Final Grades and Exam Script Viewing web page outlined above.

11 Student Support Services

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

12 Appendix: Reading Coverage

For this unit, reading materials come from the prescribed textbook and supplementary readings if any. The following table contains important information on the reading materials required for assessment. Students must read this table carefully.

Lecture Week	Chapters	Requirements
1	Ch2 & 3	Diagrams are not required to be reproduced in either exam
2	Ch5	5.4.4 & 5.5.3 are not required
3	Ch6	No calculation for 6.5.3 (simulation) and 6.6 (decision tree) in either exam
4-5	Ch7	From 7.7 to the end of the Chapter 7 are not required
6	Ch4	All Chapter 4 is required and Appendix 4.1 is also required
8	Ch16	Not required to recite the literature (i.e. academic studies) in Chapter 16 in either exam. 16.3 and 16.4 are not required
9	Ch12	All Chapter 12 is required
10	Ch13&14	Not required to recite the literature (i.e. academic studies) in Chapter 13 in either exam. For Ch14, only 14.2, 14.4 and 14.5 are required
11	Ch11	Not required to recite the literature (i.e. academic studies) in Chapter 11 in either exam
12	Ch17&18	For Ch17, from 17.1 to 17.5.5 and 17.9 to the end of Chapter 17 are required. For Ch18, from 18.2.7 to the end of Ch18 are not required except 18.2.8 & 18.4