

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ACCG353
Corporate Financial Design

Semester 2, 2010

Accounting & Finance Department

**MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE**

| | |
|---------------------------|---------------------------|
| Year and Semester: | 2010, Semester 2 |
| Unit convenor: | Dr Edward Watts |
| Prerequisites: | ACCG252 or ACCG253 |
| Credit points: | 3cp |

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

Most students who take ACCG353 Corporate Financial Design will recently have completed ACCG252 or ACCG253. In both of these Units students were introduced to the fundamentals of Corporate Finance. In both of these units a simplified corporate environment was assumed, which facilitated approaching decision making using a formula based approach.

In ACCG353 investment and financing decisions are considered in a more realistic environment. For example, in a dynamic environment the decision to invest in a project is much more complex than a simple NPV analysis makes it appear. A company might invest in a negative NPV project if that investment provides it with a strategic advantage when future opportunities arise. In modern corporate finance the search for, and creation of, opportunities is leading to a mix of both quantitative and strategic analyses. There is a significant level of debate over various corporate finance methods and concepts, both within the academic literature and in practise. A major aim of this unit is to introduce students to these debates, and to encourage them to think about these issues at a deep level.

Many students taking ACCG353 will have done or will do ACCG329. As ACCG329 investigates portfolio theory and capital asset pricing in depth, these theories are applied in ACCG353 but without deep analysis. Similarly, ACCG352 investigates options, derivatives and risk management in depth. Of these topics, only real options are examined in depth in ACCG353, as real options are highly relevant in the finance and investment decisions of corporations. In summary, while key finance ideas and concepts are applied in ACCG353, we focus primarily on those issues relevant from the perspective of corporations operating primarily in non-financial industries.

TEACHING STAFF

- Convenor & Lecturer: Dr Edward Watts, E4A 227, 9850 8533
- Lecturer: Dr Mehdi Sadeghi, E4A 514, 9850 8527
- Tutors: Scott Macaulay, Annette Qi, Joseph Nguyen, Jing Liu, Chen Yun
- All email enquiries are to be directed to accg353@mq.edu.au

CONSULTATION TIMES

Check Blackboard for possible amendments to these times during semester:

| Name | Room | Day | Time |
|----------------|-------------|-----------|-----------|
| Edward Watts | E4A 227 | Thursday | 3pm - 5 |
| Mehdi Sadeghi | E4A 514 | Friday | 10am – 12 |
| Scott Macauley | E4A Level 2 | Wednesday | 1pm - 3 |

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct any consultations by email. You may, however, phone staff during their consultation hours.

In order to gain access to staff located at levels 1, 2 and 3 of building E4A during their consultation hours please ring the staff member from the phones available in the lobby (phone numbers of relevant staff members will be provided on Blackboard and are available next to the phones).

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

CLASSES

The Unit involves 3 hours face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial. The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

The Day Lecture is 1-3pm Thursday in X5BT1, and the evening Lecture is 6-8pm Monday E7BT4.

Attendance at tutorials is a compulsory component of the Unit, and students are expected to attend all tutorials. Students must attend their designated tutorial, and changes to tutorials can only occur following written permission from the accg353@mq.edu.au account. Where a student attends a different tutorial on a one-off basis then they must get their tutorial signed by the tutor, and show it to their designated tutor at their tutorial in the following week. It is the student's responsibility to ensure that attendance at tutorials is recorded. If a student misses more than 2 tutorials then they could be given a written warning that non-attendance can lead to a Fail grade. Further absence at tutorials can trigger a recommendation of a Fail grade in the Unit.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The prescribed text is:

Berk and DeMarzo, "Corporate Finance", Plus MyFinanceLab Student Access Card Package: Global Edition, 2/E, Prentice Hall.

This text can be purchased from the Macquarie University Co-op Bookshop. Note that this is a new edition, and it differs in places to the previous edition. Also, while there are no formal assessment tasks requiring access to MyFinanceLab, students are encouraged to use MyFinanceLab in improving their understanding of the quantitative problems in particular.

Two of the Lectures are based on material from sources other than the Text. This other material will be available for download from Blackboard. Similarly, the Group Presentation and the Major

Assignment involve using materials from a wide range of sources. Some limited materials designed to help students get started, will be available on Blackboard.

TECHNOLOGY USED AND REQUIRED

The unit will have an on line learning and teaching facility known as Blackboard, accessed through the following URL:

<http://learn.mq.edu.au>

The unit Web site is only available to students enrolled in ACCG353. It will be available from Sunday 1 August. Students will be able to access the unit web page by the use of their normal university user/password details. Please contact the IT Help Desk if you have any difficulties accessing the unit web page:

Phone: (02) 9850 HELP (4357) Option 1 or Freecall: 1800 063 191

Face to Face: IT Help Desk, C5C244

24/7 Email: help@mq.edu.au

The Website will contain important unit materials, including:

- Course details—An outline of the unit, including assessment tasks
- Announcements—notices updating students on important matters regarding the unit.
- Major assignment
- Suggested answers and solutions to homework questions
- Results—for assignment and other assessable material.

Students are encouraged to use Excel when attempting quantitative tutorial exercises.

LEARNING OUTCOMES AND GRADUATE CAPABILITIES

On successful completion of this unit students will be able to:

1. Describe the value and limitations of quantitative methods used in corporate finance. eg., using the CAPM to estimate the required return in capital budgeting projects.
2. Choose between alternative quantitative approaches eg., the method to use when adjusting for the tax shield effect of leverage.
3. Understand the complexity of adjusting for risk in making corporate finance and investment decisions. eg., the benefits of a real options approach.
4. Evaluate market versus regulation discussions eg., appropriate levels of regulation in the merger and acquisition areas.
5. Analyse corporate finance debates in the literature and in the media and form opinions on these debates. eg., the debate over the super profits mining tax
6. Investigate the behavior of different stakeholders in the corporation following finance and investment decisions, linking this behavior to wealth transfers between stakeholders.

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking

3. Problem Solving and Research Capability
4. Effective Communication
5. Engaged and Ethical Local and Global citizens
6. Socially and Environmentally Active and Responsible
7. Capable of Professional and Personal Judgement and Initiative
8. Commitment to Continuous Learning

TEACHING AND LEARNING STRATEGY

A student's understanding of a weekly topic commences with the 2 hour lecture. The lecture will be based on the text in most cases, but will also draw on other material which might link the topic to current media or real world events, to academic articles in the literature, or to extracts from other texts. The aim of the lecture is to identify the key elements of a Topic – the student is then expected to fill in the detail in their own study time and in the tutorials. Thus, the lectures are important in guiding the student to the essential points in a topic – not all the material in the text is relevant to the topic and additional material not in the text might be relevant. The tutorials are important in building on, and extending, the key points from the lecture.

RESEARCH AND PRACTICE

The Major Assignment and the Viewpoint Presentation both involve research. You will need to read some academic articles and synthesise those articles in developing your own arguments. There is also an opportunity to scan the media – newspapers, business journals, and other data sources, in doing your own research. In the databases section of the library website, both Business source premier and Factiva are very useful resource tools.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

| | Assessment Task 1 & 2 | Assessment Task 2 | Assessment Task 3 | Assessment Task 4 | Assessment Task 5 |
|--------------------------------|--|---------------------------------|----------------------------------|---|---|
| Title/Name | In-Class Quiz 1 & 2 | Viewpoint Group Presentation | Major Assignment | Tutorial Collections 1 & 2 | Final Examination |
| Description | 1 page of short-answer type questions. | See Appendix 1. | See Appendix 2. | Students should attempt all tutorial questions prior to the tutorial. | A 3 hour examination covering all topics in the Unit. |
| Due date | Week 4 & 10, during tutorial | During a tutorial as allocated. | 6pm, Monday 11 October, at BESS. | Random tutorials | See Examination Timetable. |
| % Weighting | 2 x 5 = 10% | 10%: 6% individual; 4% group. | 15% | 2 x 2.5 = 5% | 60% |
| Grading method | These quizzes will primarily be short question based | See Appendix 1. | See Appendix 2. | Three grades system; S+ = above satisfactory = 2.5; S = 1.5; S- = 0.5 | |
| Submission method | | See Blackboard. | See Blackboard. | | |
| Feedback | Quiz returned. | Rubric | Rubric. | | |
| Estimated workload (hours) | | 15 hours | 25 hours | | |
| Learning outcomes assessed | | | | | |
| 1 | X | | | X | X |
| 2 | | | | X | X |
| 3 | | | | X | X |
| 4 | | X | X | | X |
| 5 | | X | | | X |
| 6 | | | X | | X |
| Graduate capabilities assessed | | | | | |
| 1 | X | X | X | X | X |
| 2 | | X | X | | X |
| 3 | | X | X | | X |
| 4 | | X | | | X |
| 5 | | X | | | |
| 6 | | | X | | |
| 7 | | X | | | X |
| 8 | X | | | X | |

- Extension requests detailing process and conditions

Students who are going to miss, or be late, for an assessment task must notify the Unit Convenor as early as possible so that alternative arrangements can be made. Requests for a change to the timing of an assessment task must be accompanied by appropriate medical/other documentation. Students who miss an assessment task and who have not provided adequate documentation will receive 0 for that task. Late submission of the major assignment will be penalised by 25% of the assignment's total value for each day the assignment is late.

EXAMINATIONS (% WEIGHTING = 60%)

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

The 3 hour final examination will be held during the University Examination period (17 November – 3 December). A student must score 40% or more to pass the unit.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. 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>

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. The University's policy on special consideration process is available at http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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.

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

<http://www.mq.edu.au/policy/docs/examination/policy.htm>

ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES

To attain a “pass” result in this unit it is necessary to:

1. miss no more tutorials following a formal warning (see the Classes section)
2. perform satisfactorily in the Viewpoint Group Presentation tasks
3. perform satisfactorily in the Major Assignment
4. obtain at least 40% in the Final Examination
5. obtain at least a pass overall

All final grades in the Department of Accounting and Finance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Macquarie University’s Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a Standardised Numerical Grade (SNG).

The Standardised Numerical Grade (SNG) is not a summation of the individual assessment components.

To be awarded a specific grade, students are required to perform at an equivalent standard in the final examination and their overall assessment marks in the unit.

Please also refer to relevant pages in the Handbook of Undergraduate Studies

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/admin_central/grade_appeals.

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/procedure.html

STUDENT SUPPORT SERVICES

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

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.

KEY ASSESSMENT TASKS AND DATES

| THE TASK | DUE DATE | VALUE |
|------------------------|---|--------------------------------------|
| 2 Quizz | In your designated tutorial in Semester Week 4 and Week 10. | 2 x 5% = 10% |
| 2 Tutorial Collections | Random over the semester. | 2 X 2.5% = 5% |
| Viewpoint Presentation | Allocated by tutor to a Group and a Topic. | 6% individual + 4% group = 10% |
| Major Assignment | 6pm, Monday, 11 th October | 15% |

LECTURE AND TUTORIAL SCHEDULE

| WEEKS | LECTURES | TUTORIALS |
|--------------------|---|--|
| Aug 2 Week 1 | L1 Ch. 3.1, 3.4, Appendix; Ch. 9.5 Arbitrage and the Market Introduction. The Mining Super Profit Tax | |
| Aug 9 Week 2 | L2 State Preference Theory. See extract from Copeland & Weston on Blackboard. | T1 3.14, 3.16, A-1, A-3 9.29, 9.30. |
| Aug 16 Week 3 | L3 Ch. 12 Estimating the Cost of Capital Ch.13 Investor Behavior and Capital Market Efficiency | T2 See questions on Blackboard plus 4.1, 4.2, and 4.3 from the Copeland & Weston extract. |
| Aug 23 Week 4 | L4 Ch.15 Debt and Taxes, Ch.16 Financial Distress, Managerial Incentives, and Information | T3 Quiz 1 12.22, 12.23, 12.26, 13.6, 13.11, 13.26 |
| Aug 30 Week 5 | L5 Ch. 18 Capital Budgeting and Valuation with Leverage | T4 Viewpoint 1 15.8, 15.10, 15.19 16.13, 16.16, 16.18, 16.25 |
| Sep 6 Week 6 | L6 Ch 23 Raising Equity Capital, Privatization. | T5 Viewpoint 2 18.4, 18.7, 18.12, 18.18 |
| Sep 13 Week 7 | L7 Ch 24 Debt Financing, Project Finance | T6 Viewpoint 3 23.3, 23.13, 23.14, 23.16 |
| MID SEMESTER BREAK | | |
| Oct 4 Week 8 | L8 Info Assymetry | T7 24.10, 24.13, Supplementary questions on Blackboard. |
| Oct 11 Week 9 | L9 Ch. 20, Ch. 21 Financial Options | T8 Viewpoint 4 Tut questions TBA |
| Oct 18 Week 10 | L10 Ch. 22 Real Options | T9 Quiz 2 20.18, 20.28, 20.31, 21.3, 21.28 |
| Oct 25 Week 11 | L11 Ch. 28 Mergers and Acquisitions | T10 Viewpoint 5 22.5, 22.14, 22.20 |
| Nov 1 Week 12 | L12 Ch 29 Corporate Governance | T11 Viewpoint 6 28.4, 28.15, 28.16, 28.18 |
| Nov 8 Week 13 | L13 Revision Lecture | T12 Tut questions TBA |

On the long-weekend Monday, October 4, we are planning to move the Lecture and Tutorials from the Monday to the Friday, October 8. A note will be posted on Blackboard, and announcements made in the lecture and tutorials, once this is confirmed.

APPENDIX 1

The Viewpoint Group Presentation Assessment Task

In the Corporate Finance world choices are not always black or white. The best decision is often not obvious: different techniques might give different answers; there might be significant measurement error or noise in the analysis; different people might have different views as to how key events effecting a corporation might change in the future. In an uncertain world there is a lot of grey when it comes to financial decision-making. In a lot of corporate finance and investment decisions there is a level of argument and debate.

Yet despite the fog often surrounding decision-making, there is a need to make decisions and to make them confidently. There is a need to be able to pick 1 alternative from 1,000 alternatives and to argue strongly that this 1 alternative is the best choice.

A good thing about Corporate Finance is that some of these debates surface to the level of public debate. The major assignment, for example, is about a topic area which has been a source of a major debate nationally – the idea of a tax on super profits of miners.

In moving from 253/252 to 353 we want to move from a black and white approach towards a more realistic grey approach – an approach in which we weigh up the pluses and the minuses, but then make a choice or express a preference.

The Viewpoint Group Presentations are designed to get students thinking about these topics of debate, and to form viewpoints on the debates. The broad methodology should identify the advantages and disadvantages of both sides of a choice, and then to make a choice expressing reasons for that choice.

1. The tutor will allocate students to groups of 4. All groups are to be preferably of this size, as one aspect of the assessment task is to develop students skills as members of a team.
2. The tutor will allocate a group to each Viewpoint Presentation Topic.
3. Group members will exchange contact details.
4. The group needs to structure the presentation so that each group member has an equal role: each person must present (no more than 5 minutes per presenter); each person must speak to an overhead (no more than 2 overheads per presenter); and each person is responsible for preparing a 5 page handout relating to their presentation.
5. Provide the tutor with a hard copy of both the overheads and the handout at the beginning of the presentation.
6. Students are expected to take this task seriously. Students due to present should turn up at the class early and assist the tutor to set up the computer projector or overhead (groups can choose which type of projector they will use). In other words, the group should appear well organised and be ready to present once the class commences. Each presenter should take no more than 5 minutes and the total presentation no more than 20 minutes.
7. Following the presentation the group should combine the handouts into one pdf document (ensuring the names of group members are on the first page of the pdf document), and attach it in an email to accg353@mq.edu.au with the tutorial time and location in the subject line. The document will be uploaded to Blackboard for general viewing.
8. The presentations will be graded using the following rubric. The group will receive a completed version of the rubric at the next tutorial or by some other arrangement with the tutor.

Viewpoint Group Presentation Rubric (10%: 6% individual; 4% group)

| | Overhead (Max=2 overheads per presenter) | Presenter (Max=5 minutes per presenter) | Handout (Max=5 pages per presenter) | Structure (Group mark) | Credibility (Group mark) |
|------------------|---|--|--|---|--|
| Team Person 1 | 2 = highlighted key points; 1 = identified a number of points; 0 = did not identify key points. | 2 = Very engaging; 1 = engaging; 0 = not engaging. | 2 = very informative; 1 = informative; 0 = not informative. | This is a group mark out of 2: 2 = very well structured; 1 = the presentations flowed reasonably well; 0 = the presenters did not flow. | This is a group mark out of 2: 2 = the presentation was very convincing; 1 = the presentation was reasonably convincing; 0 = the presentation was not convincing. |
| Team person 2 | | | | | |
| Team Person 3 | | | | | |
| Team Person 4 | | | | | |

The Viewpoint Group Presentation topics are as follows:

Viewpoint 1 (Week 5 : Tutorial 4)

The Global Financial Crisis (GFC) has been viewed as an example of a failure of the market. However, at the same time, there is strong support for a view that markets are the best way of pricing carbon. Develop a convincing argument either for a market approach or for a regulatory approach in controlling carbon output.

Viewpoint 2 (Week 6 : Tutorial 5)

Management of a company are thinking about using Beta in determining an appropriate discount rate hurdle for evaluating projects. Develop an argument which convinces management either to adopt or reject using Beta for this purpose.

Viewpoint 3 (Week 7 : Tutorial 6)

Management is wondering how important the corporate tax rate should be when they are determining the level of debt. Develop an argument for or against the importance of the corporate tax rate when a company is setting a target level of debt in the real world.

Viewpoint 4 (Week 9 : Tutorial 8)

During the Global Financial Crisis (GFC) the US government stepped in to save a number of major companies on the brink of failure, taking up an equity position in those companies. Develop an argument for or against government's being shareholders in major corporations.

Viewpoint 5 (Week 11 : Tutorial 10)

The last two decades have seen enormous interest in real options. Develop an argument for or against Borison (see the attached Paper) who claimed that Real Options Analysis is like "the emperor without clothes".

Viewpoint 6 (Week 12 : Tutorial 11)

Over the years there has been considerable debate about the benefits of takeover activity. Develop an argument for or against the view that companies should be allowed to protect themselves from takeover.

APPENDIX 2

ACCG353 Major Assignment

Earlier this year the Australian government proposed a tax on the super profits of mining companies. The proposal generated significant discussion and debate. The government modified both the name and the form of the tax during the course of the debate.

While a number of the issues discussed in relation to the proposed tax might relate to political ideologies, it was interesting to observe the public struggling with what are relatively complex principles of corporate finance: what is an effective tax rate; what are super profits and why might they be taxed differently; who are the stakeholders in the mining industry; how do governments determine an appropriate level of royalties on resources; what level of return is above normal; how mobile is capital and would such a tax reduce investment in the Australian mining industry; what is risk in the mining industry, and what is an appropriate return for the risk; how relevant is the extent of foreign ownership in the mining industry, to the debate; is introducing a new tax like this one on existing projects equitable – what wealth transfers would occur as a result of the tax; if the government wants to share in the profits then should they also share in the risk; should governments be equity holders in the mining industry; how would mining companies modify their behavior – for example the level of debt, dividends?

The above lists only some of the corporate finance questions raised by the tax proposal. These questions come from the full range of corporate finance topics – this breadth of factors involved points to the complexity of the issue.

The Assignment Task

“Identify and investigate some of the key corporate finance concepts and theories that are relevant to the tax on super profits of mining companies debate. From a corporate finance perspective, develop an argument for a particular position in this debate. “

This assignment is NOT a group project, and should reflect only the student’s own work (see the Unit Outline re Academic Honesty).

The Assignment is to be typed on A4 paper, double spaced, single-sided, with the discussion text/tables/figures no more than 10 pages. The Bibliography and Appendix are not included in the page count, however students should only include in Appendices material that is not essential in understanding the discussion, but which a reader might like to look at out of interest.

A cover sheet must be attached the assignment. The cover sheet must be signed and dated. Coversheets can be downloaded from

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/bess

A hard copy of the assignment must be submitted **at BESS no later than 6pm on Monday, 11th of October (Week 9)**. See the Unit Outline re Extension Requests for penalty on late submission of the assignment.

We are investigating using Turnitin to check assignments for plagiarism. This would involve uploading your assignment to the Turnitin site and obtaining an Originality Report which you would print and submit with your assignment. A notice about Turnitin will be posted on Blackboard before the mid-semester break.

Some resource material will be provided on Blackboard which you might find useful. However, as a research project, you are expected to search for material on which to base your assignment.

The Rubric used to assess the assignment is on the following page.

The Major Assignment Rubric (15%)

| | 0 | 1 | 2 | 3 |
|--|--|--|--|--|
| [1] How well was the topic researched, with good references which support the arguments developed. | No referencing. | Only a few references, mainly from newspapers, the web. | A wide range of references covering both popular press and academic sources. | Excellent list of references from a wide range of sources, used creatively in the discussion. |
| [2] Did the student develop a credible theme | No clear arguments developed. | Weak development of arguments with some confusion. | Good, consistent development of arguments. | Excellent and intense level of argument, showing that the student has thought deeply about the material. |
| [3] How well is the assignment structured? | No clear structure. | A loose structure, which rambles about. | Sections are clear and paragraphs within sections flow well. | An excellent structure which makes it easier for the reader to follow. |
| [4] Did the student link the discussion to corporate finance theory? | Failed to link with corporate finance topics | Links with some corporate finance concepts/topics, but only weakly. | Good analysis of the issues from a corporate finance perspective. | Excellent evaluation of the debate using corporate finance ideas. |
| [5] Was the assignment well presented, well written. | Does not conform to the assignment requirements in terms of length, font, spelling, and grammar. | Conforms to the assignment requirements, but the sentence structure could be improved. | Good presentation of the assignment, easy to read sentences. | Excellent presentation reflecting a professional approach. |

Each of the 5 rows are worth a maximum of 3 marks, summing to a total mark of 15.