Year and Semester: Semester 2, 2011
Unit convenor: Mehdi Sadeghi
Prerequisites: 36 Credit Points
Credit points: 3

Students in this unit should read this unit guide 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

This unit develops financial literacy to enable students to understand what is needed to achieve a lifestyle that is financially sustainable, ethical and responsible. The key areas of financial goals, budgeting, investments, superannuation and common contracts and employment structures are explored. These elements are combined to give a framework with which students will become familiar and within which they can operate. Students will be required to analyse their own financial situation and apply the key elements at various life stages to adapt to changes in their situations. The course will cover how to set financial goals, establish a working budget, understand and distinguish between different investment instruments, understand the key features of superannuation in Australia and understand the implications of common financial contracts and employment structures.

These outcomes aim to develop students’ cognitive capabilities through discipline specific knowledge, research and problem solving skills, and social capabilities. Students will be able to develop their personal capabilities by practicing personal judgement and an understanding of the need for continuous learning.

DISCLAIMER – This unit does not give nor qualify students to give financial advice. The unit aims to develop students’ general knowledge of key elements of personal finance.
TEACHING STAFF

Convenor TBA
Deputy Convenor Peter Mordaunt
Email peter.mordaunt@mq.edu.au

CLASSES

Please note: this is an online course and therefore it is the student’s responsibility to have available or access to the technology to access the material and to complete the assigned tasks. No exceptions or extensions will be granted because of issues with the student’s technology.

PRIZES

There are no prizes for this unit

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

There is no prescribed text for the unit. Readings will be drawn from the online sources including journal articles and students are also expected to follow web links in the Learning Management System and download materials.

TECHNOLOGY USED AND REQUIRED

- Technology used
  - Learning Management System
  - Microsoft Office
  - Internet
  - Voice boards

- Technology requirements
  - Access to a computer.
  - Access to Microsoft Office
  - Access to the Internet

UNIT WEB PAGE

Course material is available on the learning management system (BlackBoard) The web page for this unit can be found at learn.mq.edu.au.
LEARNING OBJECTIVES AND OUTCOMES

The learning outcomes of this unit are:

1. Describe the role of financial goals and develop personal financial goals.
   a. Identify short term and long term changes in circumstances.
   b. Change goals to adjust to short term circumstances.
   c. Change goals as life stages change.

2. Construct and maintain a working budget.
   a. Keep budget balanced.
   b. Change budget according to circumstances.
   c. Identify whether a permanent or temporary change.

3. Compare and contrast common investment and debt instruments.
   a. Calculate risk/reward ratios.
   b. Describe the key features of cash/short term investments.
   c. Describe the key features of medium to long term investments.

4. Discuss the role of superannuation and its benefits.
   a. Understand the compulsory superannuation system
   b. Understand the tax benefits of superannuation.
   c. Identify the different types of fund and the factors to be considered when choosing a fund
   d. Understand the investment alternatives within superannuation funds
   e. Life and Disability Insurance within Superannuation.
   f. Recognize the role of financial planners.

5. Understand the main types of insurance which are available to manage different types of risk
   a. Describe Australia’s policy for health care costs
   b. Principles of Property Insurance (including motor vehicle and travel insurance)

6. Describe the features and implications of common financial contracts.
   a. Obligations of financial advisors and indentifying their fees.
   b. Identifying the fees and obligations of professionals e.g. lawyers, brokers etc.
   c. Identify the obligations of tenants and landlords.
   d. Identify the risks in mobile phone/internet contracts.
   e. Identify the obligations under credit contracts.
7. Compare and contrast different "employment" structures.
   a. Identify the obligations under various employment/hire contracts.
   b. Evaluate various employment/hire contracts.
   c. Identify the taxation obligations/advantages under these contracts.

GRADUATE CAPABILITIES

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. Creative and Innovative
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

- Students are expected to listen to online lectures and read the material supplied via the Learning Management System.
- Students are expected to participate in online discussion groups.

RESEARCH AND PRACTICE

- This unit uses research from external sources.
- This unit gives you practice in applying research findings in your assignments.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

In AFAS300 you must demonstrate that you have satisfied the learning objectives of the unit.

Students are strongly encouraged to participate in the online discussions. This will be a forum for asking questions about the course material. The teaching staff will also be posting discussion questions for you to answer.

The learning objectives of this unit include providing an opportunity for students to share their experiences. By participating in the online discussions students will
demonstrate that they understand the material and how it relates to their own financial situation now and in the future.

The final assessment in AFAS300 is based on assignment weightings as follows:

<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>Weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module assignments</td>
<td>40%</td>
</tr>
<tr>
<td>Essays (two essays at 12.5% each)</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>35%</td>
</tr>
</tbody>
</table>

The assignments for each module provide the means of continuous assessment and continuous learning throughout the semester.

The final exam will include both case studies and short answer questions, and will bring together information from the Modules.

In order to pass this unit, students must have satisfactory performance on both the coursework and the final exam.

**Module assignments (40%)**

At the end of each module there will be either a short written task, or an online quiz.

The module assignments will be delivered online.

The written assignments will be assessed according to the level of understanding each student demonstrates.

Each quiz will be in the form of short answer, multiple choice or true/false. The Assessment for each quiz will be based on the percentage of questions answered correctly.

These assessment tasks will enable the student to demonstrate that they understand the topics and how the information is relevant to their own lives.

Late case studies or quiz participation will not be accepted without a medical certificate.

**Essays – 25%**

Students will be asked to write two 1500-word essays. Each essay will each count for 12.5%.

- Essay 1: Causes of Financial Difficulty
- Essay 2: Investment Scams
The essays will allow students to develop skills in research, analysis, and written communication. Further information about the essays, background reading materials, and assessment criteria will be provided on the Blackboard (see the folder marked “Assessment Tasks”)

**Final Exam - 35%**

The final written exam will be held during the University examination period. The final exam provides an opportunity for students to demonstrate their understanding of both the individual topics covered in the unit as well as conclusions and synthesis of the material as a whole.

You must perform satisfactorily in the exam to pass the unit.

The final exam will cover all material in the unit. You will be given further instruction on the format of the final exam during the final week of the semester.

In the meantime you should be aware that the best preparation for the final exam is as follows:
- Listen to the online tutorials
- Complete the required reading material
- Complete the case study or online quiz for each module
- Enter into the online discussions.
- Seek assistance from staff if you are experiencing difficulties

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, i.e. the final day of the official examination period, and can attend the exam at the designated time and place.

The University Examination period in Second Half Year 2011 is from November 14 to December 24.

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](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](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. (Individual Faculties may wish to signal when the Faculties’ Supplementary Exams are normally scheduled.)
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**

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at: http://www.mq.edu.au/policy/docs/grading/policy.html

**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.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/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.
Lecture Summary

Modules

1. **Goals** Week 1
   - Online presentation of content
   - Reading/website reference

2. **Budgets** Weeks 2-3
   - Online presentation of content
   - Demonstration
   - Your Money – ASIC resource and associated activities

3. **Investments** Weeks 4-7
   - Basic Principles
   - Interest, simple and compounding
   - Tax implications
   - Financial Institutions
   - Fixed interest
   - Shares
   - Property
   - Managed Funds
   - Private equity & private lending
   - Debt (including home loans)
   - Risks in investing e.g. Ponzi schemes, Leveraged Investments, Tax-Driven Investments
   - Wills and estate matters
   - Dealing with disputes

4. **Superannuation** Weeks 8-9
   - Introduction
   - Preservation Rules and their effects
   - Compulsory Superannuation (Superannuation Guarantee System)
   - Voluntary Superannuation (Tax Advantages)
   - Type of Fund / Member Choices
   - Self Managed Super Funds (SMSFs)
   - Allowable Investments within Superannuation
   - Insurance products within Superannuation

5. **Insurance** Week 10
   - Health Insurance
   - Rights and Obligations in Insurance Contracts
   - Dealing with disputes
   Introduction
   Financial Advisors- Licensing and fees
   Tenancy Agreements - Obligations of landlord and tenants
   Loans – eg Mortgages Credit Cards, Margin Lending
   Hire Purchase and Car leases
   Phone Contracts
   Internet Contracts
   Utilities Contracts
   PAYG/Tax
   Sub-contracting
   Sole Trader
   Partnership
   Company
   Trust