



ACCG253 Financial Management Unit Outline[†]

Faculty of Business and Economics

accg253@efs.mq.edu.au

Semester 1, 2009

Students in this unit should read this 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.

[†]ver: 1.0, February 2009

1 About This Unit

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. Satisfactory completion of the unit will equip students with a grasp of 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 flows. The unit also provides an introductory coverage of 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 Unit Pre-requisites

(ACCG100 or ACCG105) and (ECON111 or BBA103) and (STAT170 or STAT171) and (HSC Mathematics performance band 2 or extension 1 or extension 2, or 3cp from MATH123-MATH136) and ACST101 and (27cp or GPA of 2.00)

3 Teaching Staff

Mr Sterling Huang, Office: E4A 650, Ph: 9850 4853

Unit Administrator

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Mr Alex Proimos CFA, Office: E4A 512, Ph: 9850 9179

Lecturer in Charge

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Mr Toomas Truuvert, Office: E4A 228, Ph: 9850 8524, e-mail: ttruuvert@efs.mq.edu.au

Lecturer	Weeks
Toomas Truuvert	1-3, 9-10
Ryle Perera	4-6
Alex Proimos	7 and 13
Mehdi Sadeghi	8, 11-12

*Consultation hours of all teaching staff can be found on the ACCG253 Black-Board 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 one allocated two hour lecture to be held on either Thursday 1 - 3 pm in E7BMASON; Thursday 6 - 8pm in W5BMACTH; or Friday 11am - 1pm in W5BMACTH and a one hour tutorial each week of semester.

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 eStudent. Note that

tutorial assignments will be collected in the tutorial therefore it is important that you attend your allocated class.

5 Prescribed Text

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 semester as follows:

Assessment Weightings for Final Grading	
Tutorial Homework	10%
Mid Semester Exam	30%
Final Exam	60%

TUTORIALS AND ASSIGNMENTS

1. 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.
2. 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.
3. Twice during the semester tutorial questions will be randomly collected/checked at the beginning of your tutorial. If for any unforeseen circumstances you cannot attend your allocated tutorial for any week during

semester then 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 five (5) on the basis of effort; where a non-attempt receives zero (0), average effort receives three (3) and above average effort receives five (5). Without a valid medical certificate, submitted upon your return to class, late tutorial homework will receive zero (0).

MID SEMESTER EXAM

The mid semester exam will be 75 minute paper with no reading time. The paper will cover all material covered from lecture weeks 1 to 5 inclusive. **No formula sheets or 'notes' will be permitted.** 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. For students in the Friday lecture stream, your exam will be held in Macquarie Theatre on Thursday April 9th starting at 7:30pm as a result of the Good Friday public holiday.

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. All material covered during semester is examinable. **No formula sheets or 'notes' will be permitted.** Non-programmable 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 to pass the unit.

Note: Supplementary exams will **NOT** be granted under any circumstances should your course work be unsatisfactory i.e. less than 45%.

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. 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.

No aids, other than a pen and pencil, may be brought into an exam unless specifically permitted by the Convenor. The following are expressly forbidden: mobile phones, calculators, computers, Ipods, PDAs, MP3s and any other electronic aid, and books.

7 Lecture Topics, Reading and Tutorial Assignments

IMPORTANT: If I become aware of any errors in the lecture notes, tutorial solutions or any other document I will correct the problem as soon as possible, post an update and flag the revision on the web page. I place a version number on all documents so you can easily ensure you have the latest version of all materials.

***Note: Any readings during the semester that are not from the prescribed textbooks will be available via the unit page on BlackBoard*

Week 1: Consumption, Investment and the Capital Market (*Week beginning February 23, 2009*)

Reading: Business Finance 10th Edition: Chapter 2 (Chapter 3 is assumed knowledge ACST101 and should be revised for self assessment)

Tutorial Questions due Week 2: Chapter 2: Q1-Q4, P1-P2; Chapter 3: P12, P30, P32

Week 2: Project Evaluation I (*Week beginning March 2, 2009*)

Reading: Business Finance 10th Edition: Chapter 5 (Not 5.4.4; 5.5.3 or 5.6)

Tutorial Questions due Week 3: Chapter 5: Q2, Q3, Q5, Q7, Q11, P2, P4, P7

Week 3: Project Evaluation II (*Week beginning March 9, 2009*)

Reading: Chapter 6 (No calculations re:decision trees)

Tutorial Questions due Week 4: Chapter 6: Q1, Q3, Q7, Q13, P1, P8, P9

Week 4: Risk and Return I (*Week beginning March 16, 2009*)

Reading: Business Finance 10th Edition: Chapter 7

Tutorial Questions due Week 5: Chapter 7: Q1-Q4, Q6, P1, P2, P4

Week 5: Risk and Return II (*Week beginning March 23, 2009*)

Reading: Business Finance 10th Edition: Chapter 7

Tutorial Questions due Week 6: Chapter 7: Q5, Q8-Q10, P5, P7, P9

Week 6: Capital Market Efficiency (*Week beginning March 30, 2009*)

Reading: Business Finance 10th Edition: Chapter 16 (Not 16.3 and 16.4);

Tutorial Questions due Week 8: Chapter 16: Q1, Q2, Q3, Q4, Q9, Q11, Q12, Q13

Week 7: No Lectures - Mid Semester Exam - Note exam arrangements re: Good Friday (*Week beginning April 6, 2009*)

Tutorial Week 8: Review of Mid-Semester Exam

Mid-Semester Break (*April 10 - April 26, 2009 inclusive*)

Week 8: Security Valuation (*Week beginning April 27, 2009*)

Reading: Business Finance 10th Edition: Chapter 4

Tutorial Questions due Week 9: Chapter 4: Q1, Q3, Q6, Q9, P2-P4, P9

Week 9: Capital Structure I (*Week beginning May 4, 2009*)

Reading: Business Finance 10th Edition: Chapter 12

Tutorial Questions due Week 10: Chapter 12: Q1, Q3, Q9, Q12, P3, P7

Week 10: Capital Structure II (*Week beginning May 11, 2009*)

Reading: Business Finance 10th Edition: Chapter 13 and 14 (Not 14.8 or 14.9)

Tutorial Questions due Week 11: Chapter 13: Q1, Q2, Q3, Q6; Chapter 14: Q1, Q2, Q7, Q11, P1

Week 11: Payout Policy (*Week beginning May 18, 2009*)

Reading: Business Finance 10th Edition: Chapter 11

Tutorial Questions due Week 12: Chapter 11: Q2, Q3, Q7, Q8, Q19, P2, P4, P5

Week 12: Derivatives (*Week beginning May 25, 2009*)

Reading: Business Finance 10th Edition: Chapter 17 and 18 (Not 17.5.6 - 17.9; 18.3 - End of Chapter)

Tutorial Questions due Week 13: Chapter 17: Q1, Q3, Q6, Q7; Chapter 18: Q1, Q3, Q4, Q7, Q8

Week 13: Review of Course (*Week beginning June 1, 2009*)

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.

The lecture notes define the unit content; the textbooks should be viewed as a supplement to the lecture notes. As a general rule, if the textbook covers material that is not mentioned in the lectures, it will only be examinable if it is covered in one of the assigned tutorial questions.

ABOUT READINGS AND HOMEWORK: 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 Regarding 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 Regarding Special Consideration

Students requesting special consideration should acquaint themselves with Bachelor Degree Rule 8 by reading the 2009 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.

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) between 20 - 22 July at the times and place specified on the Faculty Appeals Against A Final Grade web page:

http://www.businessandconomics.mq.edu.au/current_students/ug/admin_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 sessions will be held on the 20th and 21st of July. For further information please see the Faculty Appeals Against A Final Grade web page.

11 Student Support Services

Macquarie University provides a range of Academic Student Support Services. Details of these services can accessed at

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