FIN921 MANAGERIAL FINANCE 6 CP

AUTUMN 2006 WOLLONGONG CAMPUS

Subject Coordinator and Lecturer

ROBERT WIXTED School of Accounting and Finance
Room: 40.304 Ph: 42215301 email: wixted@uow.edu.au
Consultation: See school notice board

TUTOR
TBA

School of Accounting and Finance
Room Ph: email:
Consultation See school notice board
SECTION A: GENERAL INFORMATION

SEMINAR TIMES

Monday 5:30 am - 7:30 pm 20.1

TUTORIALS

Students are to sign up for tutorials within the TPS online tutorial signup scheme. No additional students are to be allowed in any tutorial where they are not properly signed up and any tutorial changes must be approved by the subject coordinator. All tutorials in this subject are given on Thursday.

BRIEF OUTLINE

This subject introduces students to the finance and investment decisions facing the investor, executive, and manager. It explores the fundamental basis of investing and decision-making within the various market structures. An emphasis upon a practical approach to capital investment decisions and financial management in the real world will assist students to understand the decisions facing investors, fund managers, and corporate executives who must use financial information in a complex financial environment. The skills from this class are indispensable to any professional who must utilize financial information in the real world.

STUDENT LEARNING OUTCOMES

Upon completion of this subject, students should be able to apply sufficient theoretical and practical knowledge to exhibit understanding to:

♦ Thoroughly grasp the relevant issues involved in alternative decision choices in a financial environment;
♦ Have a solid grasp on the fundamentals of time value of money, cash flow issues, working capital management, and budgeting; including financial analysis and planning incorporating accounting information and other financial considerations in an environment of risk;
♦ Identify, and solve problems facing an investor in the selection, construction, and maintenance of a portfolio of assets;
♦ Explain, evaluate and discuss organisation and function within alternative financial asset markets, including product development and recent trends in capital markets;
♦ Recognise, use, and discuss the techniques and measures in the evaluation of investment performance;
♦ This is a rigorous and substantive class. As the subject progresses, concepts covered in earlier material are assumed knowledge for later more difficult and complex decisions. Students should be aware that the University of Wollongong considers that for every credit point assigned to a subject, a minimum of 2 hours each week should be set aside by the student for careful study. As FIN 921 is a 6 credit point subject, students should devote at least 12 hours each week to this subject, including class times. Some students may require more time to grasp the material in any given week. Students are warned that this class is not one where an apathetic or lethargic attitude can be entertained in the first weeks and then
devotion and “cramming” manifest in the later part of the course. The material is
difficult and should be carefully studied from the first week of class to the final
examination and, hopefully, carried into professional life.

ATTENDANCE REQUIREMENTS
Attendance is compulsory at all classes. A role is not contemplated for lecture times. A student
must attend at least 75% of tutorials in order to pass this class. **This means if a student misses 4
 tutorials, he or she will fail this class in the absence of acceptable medical documentation
or permission from the subject coordinator.**

PARTICIPATION/CONTRIBUTION TO TUTORIALS
All students are expected to prepare responses to assigned questions prior to tutorials. All
students are expected to attend tutorials and be prepared to discuss any questions they have
regarding the assigned questions. You should note that your mere attendance at tutorials does
not constitute participation. Students are required to attend a minimum of 9 tutorials to be eligible
to pass the subject. DIMIA requires students to attend 90% of all classes. If any student fails to
meet DIMIA requirements, their name is given to DIMIA as violation of visa requirements if grounds
for deportation from Australia.

REQUIRED TEXT
Ross, Thompson, Christensen, Westerfield, and Jordan 2004, *Fundamentals of Corporate Finance*
3rd edition, McGraw-Hill Irwin

This textbook is available online from the University Bookshop at
http://unishop.uow.edu.au/textbooks/ In addition, there may be second-hand texts available at SRC
or elsewhere.

Further Recommended Reading
In addition to the assigned text, students may find the following texts helpful. This list is not
exhaustive and students are encouraged to search out material individually.

[very good text for additional explanation and reference guide]

edition was last year’s textbook.


Hill

References can be obtained by contacting the University of Wollongong Library.
WEB MATERIAL

A site is currently available where students may access the subject outlines, lecture material, limited tutorial solutions, and assignment material. Lecture and tutorial solutions will not automatically be posted to this site, and students should be aware that although solutions to tutorial material are discussed in class and, at times, in lectures, there is no automatic mechanism where students can enjoy unfettered access to the class solution material. It is the students’ responsibility, therefore, to ensure that material is attempted each week and questions answered in the relevant weeks where the material is given. The link to the site will be given at the first seminar.

SECTION B: ASSESSMENT

GENERAL CRITERIA

Students should be aware of the following very important guidelines.

**Students are prohibited from making use of any written work produced by any student at the University of Wollongong, past or present, in any assessment in this subject.** This means that students may speak together, point other students to library resources, argue about proper treatment of inputs, or otherwise help each other to learn the subject material, but are strictly forbidden to copy tutorial work share the personal written work of any assessment task, or in any way copy tutorial work in this subject. In short, (figuratively speaking) students can talk about the class, point each other to resources which may answer questions, and help other students find resources within the textbook or otherwise, but may not look, touch, or even breathe on another student’s work, past or present, for any work in this subject. Two or more pieces of work which are unduly similar and are picked up for plagiarism or copying will not be tolerated on the grounds that students “worked together” to produce the work. **Students need to understand this aspect of the subject requirements very clearly!**

Students must achieve a satisfactory result (at least 45%) in each assessment task, achieve 50 marks overall, and **must achieve a clear “pass” (50%) in the final examination** in order to pass this subject. This assessment criterion will be rigidly enforced. If a student achieves 48 or 49 points, please do not come to the subject coordinator seeking to pass because that student "came close" to 50 marks. There is no award of PC or PR at postgraduate level.

Although the emphasis in any assessment in this subject lies upon the substantive issues, a manifestly inadequate form or format may also result in loss of marks in any assessment. Students should, therefore, think carefully about the presentation of any assessment task. Marks may be scaled in any assessment in this subject at the subject coordinator’s discretion.

Students should be made clearly aware that all classes in this subject are compulsory. Although a role is not kept or contemplated for the lecture times, examinable material is usually presented during certain of these times which might not be given in any other format. The policy of the University of Wollongong requires that no marks may be awarded for attendance, *per se*, nor is attendance to be used for the calculation of any assessment. **You may, in short, lose marks for non-attendance even though you may not be awarded any marks at all for attendance. You MUST attend at least 75% of the tutorial classes to pass this subject. If you miss 4 tutorial classes in this subject without proper medical certification and special consideration, you will fail this subject for failing to meet the subject requirement.**
PERFORMANCE GRADES

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85 – 100%</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>75 – 84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65 – 74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50 – 64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0 – 49%</td>
</tr>
</tbody>
</table>

SUMMARY

<table>
<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
<th>Return date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 Intra-session test 1</td>
<td>25%</td>
<td>Week 6</td>
<td>Within 1 week</td>
</tr>
<tr>
<td>Task 2 Intra-session test 2</td>
<td>25%</td>
<td>Week 11</td>
<td>Within 1 week</td>
</tr>
<tr>
<td>Task 3 Final Exam</td>
<td>50%</td>
<td>Exam period</td>
<td></td>
</tr>
</tbody>
</table>

ASSESSMENT TASK DETAILS

**Assessment 1: Intra-Session Test 1**

- **Date:** To be held in Week 6
- **Weighting:** 25%
- **Details:** Chapters 1, 5-7; theoretical and substantive problems - 2 hour test
- **Marks:** Students will be advised of their marks via SOLS within two weeks
- **Instructions:** Please arrive at lecture theatres by 5.15 am, and bring student card, a calculator, blue or black pen and liquid whiteout

**Assessment 2: Intra-Session Test 2**

- **Date:** To be held in Week 11
- **Weighting:** 25%
- **Marks:** Students will be advised of their marks via SOLS within two weeks
- **Details:** Chapters 8, 10-11, 14-15 inclusive, as above - 2 hour test
- **Instructions:** Please arrive at lecture theatres by 5.15 am, and bring student card, a calculator, blue or black pen and liquid whiteout

**Assessment 3: Final Examination**

- **Weighting:** 50%
- **Date:** During official university exam period.
- **Time allowed:** 3 hours and 15 minutes
- **Structure of paper:** To be advised
- **Scaling:** Marks may be scaled at subject coordinator’s discretion
Students who are unable to sit for the Intra-session tests for reasons beyond their control should apply for special consideration through SOLS and provide supporting documentation. If their application for special consideration is accepted a supplementary examination will be rescheduled, normally within two weeks from the date of the original examination. As notice of the supplementary exam normally comes through email, it is the student's obligation to ensure that the current email address and phone numbers listed on the University of Wollongong server are valid. Normally, 5 days notice is required for a supplementary examination, or less if the student(s) agrees.

PLAGIARISM

Plagiarism is not acceptable and will certainly result in the imposition of severe penalties. The University of Wollongong provides clear guidelines regarding the practice of plagiarism and how it can be avoided. Students are directed to the University of Wollongong handbook, located on the web at:


Students are reminded that there is a prohibition in this subject regarding the use of any work produced by another student, past or present, in the generation of any assessment task. Any student found violating this prohibition will be severely penalized and a submission and report will be handed to the Faculty Investigation Committee to be permanently bonded to the student's records. This constitutes academic misconduct and students have been expelled from this University for academic misconduct. In addition, the students should be aware that professional bodies take a very deprecatory view of those who practice dishonesty and many persons have been refused admission to the professional bodies on the basis of dishonest conduct. Honesty and integrity should be the foremost hallmark character attribute of any professional. Academic misconduct, therefore, is viewed as a loathsome practice.

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.


SECTION C: RULES, CODES OF PRACTICE & POLICIES

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

| Ethical objection by students to the use of animal and animal products in coursework subjects | http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html |
C1.1 Non-discriminatory Language

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html

C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work. The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at: http://www.uow.edu.au/handbook/courserules/specialconsideration.html.

Students must apply for special consideration through SOLS.

C1.3 Student Academic Grievance Policy

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain and complete a Faculty of Commerce Appeal of Assessment Form from:


The student should first take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at:

C2 FACULTY AND SCHOOL POLICIES

REFERENCING

WHY DO YOU NEED TO REFERENCE?

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else's work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people's work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

THE HARVARD SYSTEM OF REFERENCING

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. Intext references include the author and year of publication, and where necessary the page number(s).

*It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.*

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


CITATION OF ELECTRONIC SOURCES

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

*It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.*

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.

C3 SUPPORT SERVICES AND FACILITIES

LEARNING RESOURCE CENTRE

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


FACULTY LIBRARIANS

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:

   email: lib_commerce@uow.edu.au
   telephone: 42 213078

DISABILITY LIAISON OFFICER

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

   web address: http://www.uow.edu.au/student/services/ds/
   telephone: 42 213445
   fax: 42 215667

FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.
The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

Office location: Building 40, room 224  
email address: ron_perrin@uow.edu.au  
telephone: 42 214118

WOOLYUNGA INDIGENOUS CENTRE

The Woolyunga Indigenous (WIC) provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Woolyunga Indigenous Centre website or contact the office.

Centre location: Building 30  
web address: http://www.uow.edu.au/aec/  
television: 42 213563  
fax: 42 214244

Note

If any problem arises concerning any aspect of this course, students should try to settle the matter with their tutor at first instance. If a settlement cannot be reached, the matter can be taken to the lecturer or subject coordinator. If at all possible, settle all conflicts at the tutorial level. The lecturers and tutors are here to help students, but sometimes the pressure of teaching, other work, and demands from other students preclude them from exercising the ability to address each student’s academic needs, especially in times of high demand such as the period just prior to major assessment deadlines. Students should make good use, therefore, of the consultation times of each member of the teaching team, which are posted in the hallway near the Accounting/Finance area of building 40, or will be announced in lectures and tutorials. This will help students learn more effectively, help prevent the temptation to inappropriately “work together” with other students, and help students stay abreast of the material presented each week. In conclusion it must be said that no two class groups are exactly the same. Although much effort is put into generating this subject outline and setting tutorial questions ahead of the class times, if the students show that the set questions are not properly generating the skills deemed necessary in the progression of this class, additional questions, or questions in lieu of the set questions in the subject outline may be substituted for, or given in addition to, the set questions at any time.
<table>
<thead>
<tr>
<th>Week</th>
<th>Text chapters</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>Time value of $</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>Valuation issues</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
<td>Net present value</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
<td>Capital Investments</td>
</tr>
<tr>
<td>6</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; test – 25%</td>
<td>Chapters 1,5-7</td>
</tr>
<tr>
<td>7</td>
<td>10, 11</td>
<td>Risk and Return</td>
</tr>
<tr>
<td>8</td>
<td>14</td>
<td>Credit Management</td>
</tr>
<tr>
<td>9</td>
<td>15</td>
<td>Short-term finance</td>
</tr>
<tr>
<td>10</td>
<td>16</td>
<td>Long-term finance</td>
</tr>
<tr>
<td>11</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Test -25%</td>
<td>Chapters 8,10-11, 14-15</td>
</tr>
<tr>
<td>12</td>
<td>18</td>
<td>Cost of Capital</td>
</tr>
<tr>
<td>13</td>
<td>19</td>
<td>Dividend Policy</td>
</tr>
</tbody>
</table>
## Tutorial Questions

<table>
<thead>
<tr>
<th>Week</th>
<th>Text chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>No tutorials this week</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>1:1-6</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>5:1,2,5,7,8,10,18,20,47,48</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>6:1,2,7,11,21,26</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>7:3,4,14,15,19,20</td>
</tr>
<tr>
<td>6</td>
<td>1st test – 25%</td>
</tr>
<tr>
<td></td>
<td>Test</td>
</tr>
<tr>
<td>7</td>
<td>10, 11</td>
</tr>
<tr>
<td></td>
<td>8:1,10,12,16</td>
</tr>
<tr>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>10:1,2,4 11:2,5,7,19</td>
</tr>
<tr>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>14: 1,2,3,4,5,13,15,19</td>
</tr>
<tr>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>15:2,6,7,9,12</td>
</tr>
<tr>
<td>11</td>
<td>2nd Test -25%</td>
</tr>
<tr>
<td></td>
<td>Test</td>
</tr>
<tr>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>16:3,4,5,8,16</td>
</tr>
<tr>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>18:3,5,12 19:4,9</td>
</tr>
</tbody>
</table>