



The University of Southern Queensland

Course specification

Description: Business Finance I						
Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	1101	40114	1, 2005	EXT	1.00	Toowoomba

Academic group:	FOBUS
Academic org:	FOB009
Student contribution band:	2
ASCED code:	081101

STAFFING

Examiner: Michelle Goyen
Moderator: William Roome

REQUISITES

Pre-requisite: ACC1101 or USQ51002 or USQ51003

SYNOPSIS

This course will introduce students to the basic concepts and tools of financial management. The focus of the course is decision making in a financial context. It therefore examines the techniques that are used in businesses to make decisions that are consistent with the efforts to increase the wealth of the owners of the business. The topics covered include financial mathematics, valuation of securities, cost of capital and capital budgeting.

OBJECTIVES

On completion of this course the student should be able to:

1. discuss financial decision making and the objective of the firm in financial decision making, as well as some key concepts in finance;
2. apply financial mathematics to the solution of business problems and the valuation of securities;
3. explain the relationship between risk and return and calculate ex post and ex ante measures of each of these;
4. calculate a firm's cost of capital;
5. understand the capital budgeting process;
6. understand and apply the appropriate techniques for solving capital budgeting problems;
7. identify and describe the main sources of short and long-term financing;
8. evaluate lease-buy decisions;
9. explain the dividend policies adopted by Australian firms;
10. describe how derivatives are used by businesses to manage the risk of their operations;
and
11. use a spreadsheet package for capital budgeting decision making.

TOPICS

	Description	Weighting (%)
1.	Introduction to financial decision making	9.00
2.	Financial mathematics	10.00
3.	Risk and return	9.00
4.	Valuation of securities	9.00
5.	Cost of capital	9.00
6.	Capital budgeting techniques	9.00
7.	Capital budgeting - real world complications	9.00
8.	Short-term financing	9.00
9.	Long-term financing	9.00
10.	Dividend decisions	9.00
11.	Risk management	9.00

TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Beal, D & Goyen, M 2005, *Introducing corporate finance*, John Wiley & Sons, Australia.

REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

It is not necessary to obtain the above titles, but if available, they will provide supplementary material to the set text.

Bishop, SR, Crapp, HR, Faff, RW & Twite, GJ 2003, *Corporate finance*, 5th edn, Pearson Education Australia, Frenchs Forest, New South Wales.

Brealey, R, Myers, S, Partington, G & Robinson, D 2000, *Principles of corporate finance*, 1st edn, McGraw-Hill, Sydney.

(Australian edition)

Frino, A, Kelly, S, Comerton-Forde, C, Cusack, A & Wilson, K 2004, *Introduction to corporate finance*, 2nd edn, Pearson Education, Frenchs Forest, New South Wales.

Hovey, M 2002, *Spreadsheet modelling in corporate finance*, Prentice Hall, Frenchs Forest, New South Wales.

Peirson, G, Brown, R, Easton, S & Howard, P 2002, *Business finance*, 8th edn, McGraw-Hill, Sydney.

Petty, JW, Peacock, R, Martin, P, Burrow, M, Keown, A, Scott Jr, DF & Martin, JD 2003, *Financial management*, 3rd edn, Prentice Hall, Frenchs Forest, New South Wales.

Ross, S, Thompson, SC, Christensen, MJ, Westerfield, RW & Jordan, BD 2001, *Fundamentals of corporate finance*, 2nd edn, McGraw-Hill, Sydney.

(Australian edition)

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessment	20.00
Directed Study	48.00
Private Study	97.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg(%)	Due date
ASSIGNMENT	100.00	20.00	16 May 2005
EXAM PART A (MULTI-CHOICE)	29.00	30.00	END S1 (see note 1)
EXAM PART B (QUESTIONS)	50.00	50.00	END S1

NOTES

1. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date for Exam (Parts A and B) after the timetable has been finalised. The total working time for Exam (Parts A and B) is 3 hours.

IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:
If you are an international student in Australia you are advised to attend all classes at your campus. Failure to attend may infringe the conditions of your student visa. For all other students, there are no attendance requirements for this course. However, it is the students' responsibility to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:
Students must submit a genuine attempt for each assignment. For an assignment to be deemed a genuine attempt, the student must have completed at least 80% of each question. Every requirement and sub-part of each question must be attempted. To complete the examination satisfactorily, students must obtain a passing grade.
- 3 Penalties for late submission of required work:
If a student submits an assignment after the due date without the prior approval of the Examiner, a penalty of 20% of the total marks gained by the student for the assignment will apply for each working day late.
- 4 Requirements for student to be awarded a passing grade in the course:

To be assured of receiving a passing grade a student must submit a genuine attempt for all of the summative assessment items, achieve at least 50% in the examination and at least 50% of the available weighted marks for the summative assessment items.

- 5 Method used to combine assessment results to attain final grade:
The final grades for students will be assigned on the basis of the weighted aggregate of the marks (or grades) obtained for each of the summative assessment items in the course.
- 6 Examination information:
This is a restricted examination. Candidates are allowed access to specific materials during the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their examination paper the make and model of any calculator(s) they use during the examination). It is essential that students attempting this course have a quiet battery-operated non-programmable calculator, such as the Casio fx-82TL scientific calculator, or an equivalent. Students are not permitted to take mobile telephones, pagers or other electronic means of communication into the examination room.
- 7 Examination period when Deferred/Supplementary examinations will be held:
Any Deferred or Supplementary examinations for this course will be held during the next examination period.
- 8 University Regulations:
Students should read USQ Regulations 5.1 Definitions, 5.6. Assessment, and 5.10 Academic Misconduct for further information and to avoid actions which might contravene University Regulations. These regulations can be found at the URL <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Guide to Policies and Procedures of the Faculty which can be found at the URL <http://www.usq.edu.au/handbook/current/buspolproc.html>.

ASSESSMENT NOTES

- 1 Assignments: (i) The due date for an assignment is the date by which a student must despatch the assignment to the USQ. The onus is on the student to provide proof of the despatch date, if requested by the Examiner. (ii) Students must retain a copy of each item submitted for assessment. This must be produced within five days if required by the Examiner. (iii) In accordance with the University's Assignment Extension Policy (Regulation 5.6.1), the Examiner of a course may grant an extension of the due date of an assignment in extenuating circumstances. All applications for assignment extensions must be accompanied by appropriate supporting documentation. Under no circumstances will assignments submitted more than two calendar weeks after the due date be accepted. (iv) Assignments are to be submitted in the appropriate assignment folders. (v) The Examiner will not accept submission of assignments by facsimile.
- 2 Course Weightings: Weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
- 3 Dishonest Actions: (i) Any student who is alleged to have performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the Academic Regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the Examiner. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or

attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, ie taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.

- 4 Deferred Examinations: (i) Deferred examinations will be granted based on non-attendance for medical reasons, family/personal reasons, or employment-related reasons. Deferred examinations must be recommended by the Faculty Assessment Coordinator and approved by the Examiner or Moderator or Dean's Nominee. If a deferred examination is granted, students shall sit the deferred examination in the next semester examination period. If, for whatever reason, this deferred examination is not taken then the student will be graded 'F'. (ii) To be eligible for consideration for a deferred examination, students must have submitted a genuine attempt at all mandatory assessment items. (iii) Deferral of an examination CANNOT be granted on an existing deferral in that course. (iv) Requests must be in writing to the Faculty Assessment Coordinator clearly stating student name, student number, current address, course alpha-numeric identifier and name for the examination not attended. (v) Requests MUST BE supported by original or suitably authenticated documentation. (vi) Requests and documentation must be submitted to the Faculty Assessment Coordinator within ten (10) calendar days of the missed examination date. (vii) Requests based on medical reasons must be supported by medical evidence on the appropriate University of Southern Queensland medical certificate or doctor's certificate. A medical certificate must be dated with the same date as the period of illness for which the absence from examination is being sought and clearly indicate the student's name and, if possible, student number (retrospective medical certificates will not be accepted for either assignment work or examinations). Only original or authenticated medical certificates will be accepted. A student's medical condition must be stated clearly (IN ENGLISH). (Certificates stating a student has a 'medical condition' may not be sufficient grounds for deferment of examination). Medical evidence must cover the student for the day(s) of the missed examination(s). (viii) Requests based on family/personal reasons must be supported by a clear statement (IN ENGLISH) from a medical practitioner, counsellor or independent member of the community. (ix) Requests based on employment-related reasons must be supported by a clear statement (IN ENGLISH) from the student's employer. (x) Students who have a medical condition or genuine compassionate or employment-related problems on the day of the examination are advised to obtain the relevant documentary evidence and NOT attempt the examination. If a student makes an attempt at the examination, the assessment item will be marked and a grade awarded. In these cases, a student cannot, after receiving a 'fail' grade, request a deferred examination or special consideration. (xi) Students who have been granted deferred examinations will not be granted a waiver of prerequisites, without the permission of the Head of Department, in subsequent semesters (if they do not have a passing grade).