Course Specification

Description: Business Finance I

<table>
<thead>
<tr>
<th>Subject</th>
<th>Cat-Nbr</th>
<th>Class</th>
<th>Term</th>
<th>Mode</th>
<th>Units</th>
<th>Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIN</td>
<td>1101</td>
<td>10112</td>
<td>1, 2002</td>
<td>EXT</td>
<td>1.00</td>
<td>TWMBB</td>
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</table>

Academic Group: FOBUS
Academic Org: FOB009
HECS Band: 2
ASCED Code: 081101

STAFFING
Examiner: Rex Zeeman
Moderator: Kymberlee Simpson

OTHER-REQUISITES
Pre-requisite: It is highly recommended that you successfully complete either ACC1101 or USQ 51002 or USQ51003 before enrolling in this course. If you have not, you may find it difficult to successfully complete the course.

SYNOPSIS
This course is the first of two courses in business finance and is designed to introduce and provide a basic knowledge of financial management decision making. It is structured to provide students with varying backgrounds with some insight into the necessity to consider the financial implications of management decisions. The topics covered include financial markets, financial mathematics, valuation of securities, cost of capital and capital budgeting.

OBJECTIVES
On completion of this course the student should be able to:
- discuss in general terms the functions and operation of Australian financial markets, with particular relevance to Australian markets;
- apply financial mathematics to the solution of business problems and the valuation of securities;
- calculate a firm's cost of capital;
- understand the capital budgeting process;
- analyse and apply the appropriate techniques for solving capital budgeting problems;
- use a spreadsheet package for capital budgeting decision making.
## TOPICS

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
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</thead>
<tbody>
<tr>
<td>1. Introduction to financial decision making</td>
<td>7.50</td>
</tr>
<tr>
<td>2. Financial markets</td>
<td>7.50</td>
</tr>
<tr>
<td>3. Financial mathematics</td>
<td>20.00</td>
</tr>
<tr>
<td>4. Valuation of securities; term structure of interest rates</td>
<td>10.00</td>
</tr>
<tr>
<td>5. Cost of capital</td>
<td>15.00</td>
</tr>
<tr>
<td>6. Introduction to capital budgeting</td>
<td>10.00</td>
</tr>
<tr>
<td>7. Capital budgeting techniques</td>
<td>10.00</td>
</tr>
<tr>
<td>8. Application of capital budgeting techniques</td>
<td>10.00</td>
</tr>
<tr>
<td>9. Capital budgeting and risk</td>
<td>10.00</td>
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</tbody>
</table>

## TEXT and MATERIALS required to be PURCHASED or ACCESSSED:

Books can be ordered by fax or telephone. For costs and further details use the 'Book Search' facility at http://bookshop.usq.edu.au by entering the author or title of the text.


## 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.


STUDENT WORKLOAD REQUIREMENTS

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>20</td>
</tr>
<tr>
<td>Directed Study</td>
<td>93</td>
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<tr>
<td>Private Study</td>
<td>52</td>
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ASSESSMENT DETAILS

<table>
<thead>
<tr>
<th>Description</th>
<th>Marks Out of</th>
<th>Wtg(%)</th>
<th>Required</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>ASSIGNMENT 1</td>
<td>200.00</td>
<td>10.00</td>
<td>Y</td>
<td>04 Mar 2002</td>
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<tr>
<td>ASSIGNMENT 2</td>
<td>200.00</td>
<td>15.00</td>
<td>Y</td>
<td>04 Mar 2002</td>
</tr>
<tr>
<td>EXAM PART A (MULTI-CHOICE)</td>
<td>30.00</td>
<td>30.00</td>
<td>Y</td>
<td>END S1</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(see note 3)</td>
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<tr>
<td>EXAM PART B (QUESTIONS)</td>
<td>45.00</td>
<td>45.00</td>
<td>Y</td>
<td>END S1</td>
</tr>
</tbody>
</table>

NOTES:

3. 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.

OTHER REQUIREMENTS

1. To be assured of a passing grade in this course, students must attempt all of the assessments, achieve at least 50% in the examination and at least 50% of the available marks for the course. Final grades for the course will be determined by the addition of the marks obtained in each assessment item, weighted as in the Assessment Details and by considering the student’s level of achievement of the objectives of the course.

2. Students must retain a copy of all pieces of assessment which must be produced if/when required by the lecturer.

3. LATE ASSIGNMENTS (i) All assessments submitted after the due date (and not approved for extension) in accordance with university policy will be penalised 20% per working day. (ii) If students submit assignments after the due date and wish to claim extenuating circumstances then they shall provide validated documentary evidence with the assignment, explaining the circumstances. (iii) The course examiner shall consider the statement accompanying a late assignment and decide on the outcome.

4. Assignments not submitted in the appropriate assignment folders will be deemed as not being received.

5. DISHONEST ACTIONS (i) Any student who is alleged to having 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 course leader.
DEFERRED EXAMINATIONS

(i) Deferred examinations will be granted at the Dean's discretion based on non-attendance for medical, compassionate or employment-related reasons having regard to item 1. 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 Operations Manager 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 Operations Manager 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 Heads of Department, in subsequent semesters (if they do not have a passing grade).

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.

Mechanised erasers, mobile telephones and other electronic media are not permitted in exam venues.

The examination will be restricted. Students will be allowed to bring a quiet, battery-operated non-programmable calculator into the examination. Dictionaries are NOT to be used in the examination.

While not essential, it is strongly advised that students attempting this course have a quiet battery-operated non-programmable calculator.