Description: Corporate Finance

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

STAFFING
Examiner: Martin Hovey
Moderator: Michelle Goyen

OTHER-REQUISITES
Recommended Pre-requisite: ACC5502 or ACC5202

SYNOPSIS
Financial management is one of the major functional areas within a corporation. Sound financial management is crucial to a corporation's solvency and long-term profitability. This course aims to introduce students to the basic responsibilities of a corporate financial manager. Coverage includes evaluation of investment and financing alternatives, working capital management, and determination of capital structure and dividend policy. Emphasis is placed on the analytical aspects of the decision making process to enable students to form their own judgment in the dynamic business world.

OBJECTIVES
Successful completion of this course should enable students to:

1. identify appropriate organisational goals and grasp their implications for the financial management function;
2. understand the concept of time value and use the relevant techniques;
3. comprehend the interrelationship between return and risk as it relates to portfolio theory;
4. comprehend the CAPM and its implications for the evaluation of investment proposals;
5. analyse complex investment alternatives;
6. determine the optimum investment in current assets and how these should be financed;
7. comprehend the workings of capital markets;
8. advise management as to the appropriate sources and uses of short-term and long-term financing;
9. analyse capital structure decisions;
10. evaluate and advise on alternative dividend policies;
11. develop a cash budget.
TOPICS

<table>
<thead>
<tr>
<th>Description</th>
<th>Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Objectives and Roles of Financial Managers</td>
<td>15.00</td>
</tr>
<tr>
<td>2. Financial Mathematics</td>
<td>10.00</td>
</tr>
<tr>
<td>3. Risk and Return</td>
<td>10.00</td>
</tr>
<tr>
<td>4. Investment Evaluation Techniques</td>
<td>15.00</td>
</tr>
<tr>
<td>5. Current Asset Management</td>
<td>10.00</td>
</tr>
<tr>
<td>6. The Capital Markets and Sources of Financing</td>
<td>10.00</td>
</tr>
<tr>
<td>7. Capital Structure and Cost of Capital</td>
<td>10.00</td>
</tr>
<tr>
<td>8. Dividends and Internal Financing</td>
<td>10.00</td>
</tr>
<tr>
<td>9. Financial Analysis and Forecasting</td>
<td>10.00</td>
</tr>
</tbody>
</table>

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).

The Hovey text and the Petty, Martin, Burrow et al text are available as a 'value pack' from the USQ Bookshop.

(this text is required for assignment preparation)


(revised & updated edition)

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 these titles. However, if available they will provide useful 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>40.00</td>
</tr>
<tr>
<td>Directed Study</td>
<td>75.00</td>
</tr>
<tr>
<td>Private Study</td>
<td>50.00</td>
</tr>
</tbody>
</table>

**ASSESSMENT DETAILS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Marks out of</th>
<th>Wtg(%)</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSIGNMENT</td>
<td>100.00</td>
<td>20.00</td>
<td>09 Jan 2006</td>
</tr>
<tr>
<td>EXAM A (MULTI-CHOICE)</td>
<td>45.00</td>
<td>36.00</td>
<td>END S3 (see note 1)</td>
</tr>
<tr>
<td>EXAM B &amp; C (THEORY &amp; PROBLEMS)</td>
<td>55.00</td>
<td>44.00</td>
<td>END S3</td>
</tr>
</tbody>
</table>

**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 (A, B and C) after the timetable has been finalised. The total working time for Exam (A, B and C) is 3 hours.

**IMPORTANT ASSESSMENT INFORMATION**

1. Attendance requirements:
   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 the assignment/s. 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 at least 50% of the marks available for the examination.

3. Penalties for late submission of required work:
   If students submit assignments after the due date without prior approval then 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 a passing grade, students must demonstrate, via the summative assessment items, that they have achieved the required minimum standards in relation to the objectives of the course by: (i) satisfactorily completing the assignment/s; (ii) obtaining at least 50% in the examination; (ii) obtaining at least 50% of the total weighted marks available for all 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 obtained for each of the summative assessment items in the course.

6 Examination information:
This is a restricted examination. The only materials that candidates may use during this examination 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).

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) The Examiner may grant an extension of the due date of an assignment in extenuating circumstances. Extenuating circumstances should be interpreted as circumstances which are unanticipated and cannot be planned ahead. Heavy work and/or family commitments and travelling on the due date are normally not considered as extenuating circumstances. All applications of extension must be accompanied by supporting documents to substantiate the claims of students. In all circumstances, no assignments will be accepted two calendar weeks after the due date. (iii) Students must retain a copy of all pieces of assessment which must be produced if/when required by the Examiner. (iv) The Examiner will not accept submission of assignments by facsimile. (v) In the event that a due date for an assignment falls on a local public holiday in their area, such as a Show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the Examiner’s convenience.

2 Course Weightings: Course 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, that is, 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.

OTHER REQUIREMENTS

1 Learning Resources: Prescribed texts and materials (see above); recommended reference materials (see above); and course Website accessible via USQConnect.