Unit Outline
Semester 1, 2012
Faculty of Business, Government & Law

Unit Title: Business Finance
Unit Number: 6392
This Unit Outline must be read in conjunction with:

a) *UC Student Guide to Policies*, which sets out University-wide policies and procedures, including information on matters such as plagiarism, grade descriptors, moderation, feedback and deferred exams, and is available at *(scroll to bottom of page)*

b) *UC Guide to Student Services*, and is available at *(scroll to bottom of page)*

c) Any additional information specified in section 6h.

## 1: General Information

1a. Unit title: Business Finance
1b. Unit number: 6392
1c. Semester and Year offered: Semester 1, 2012
1d. Credit point value: 3 (Three)
1e. Unit level: 2

1f. Name of Unit Convener and Contact details (including telephone and email)
   Dr Abu Mollik,
   Room: 6 C 26
   Telephone: 02 6201 2019
   Fax 02 6201 5238
   Mail Box: 6
   Email: [Abu.Mollik@canberra.edu.au](mailto:Abu.Mollik@canberra.edu.au).

1g. Administrative contact details (including name, location, telephone and email)
   As above in 1f, or
   Mr. Adi Budiarsa
   Email: [Adi.Budiarsa@canberra.edu.au](mailto:Adi.Budiarsa@canberra.edu.au)

## 2: Academic Content

2a. Unit description and learning outcomes

This is a financial management subject that is very broad in scope. It explores the impact of financial institutions, markets and securities on the management of short and long-term assets and liabilities.
On completing this unit students will be able to:

1. Understand the goals of financial management;
2. Apply discounted cash flow techniques to value debentures, shares and to evaluate alternative capital investment proposals;
3. Understand the concept of an efficient capital market and the nature of risk/return trade-off facing investors and firms and apply this in determining the cost of capital;
4. 
   a. Recognise options and futures as risk management tools;
   b. Understand management of working capital;
   c. Make capital investment decisions are made when there is uncertainty
   d. Evaluate leasing as an investment alternative and appreciate the importance taxation in this decision;
   e. Describe the main features of various short term and long term financing options;
   f. Discuss factors that financial managers must consider in establishing a dividend policy;
   g. Understand the effect of financial leverage in capital structure decisions; and
5. Have increased generic skills in communication and problem solving.

2b  Generic Skills
    (1) communication, (2) analysis and inquiry (3) problem solving, (4) working independently and with others [in a team environment], (5) professionalism and social responsibility.

2c  Prerequisites and/or co-requisites
    Accounting for Managers. It is recommended that students complete Business Statistics before enrolling in this unit.

3:  Delivery of Unit and Timetable

3a  Delivery mode
    This unit is taught in traditional mode ie, on-campus face-to-face mode. There will be 2 hour lecture/ seminar sessions and one 1-hour tutorial sessions during the period 06 February to 14 May 2012. The lecture timetable is available at the university website.
### 3b Schedule of topics/lectures/tutorials/practicals/field showing key dates and topics

**SCHEDULE OF LECTURES AND TUTORIALS—Semester 1, 2012**

<table>
<thead>
<tr>
<th>Week</th>
<th>LO</th>
<th>Dates</th>
<th>Lecture Topics</th>
<th>Tutorial/Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1-5</td>
<td>07/02/12</td>
<td>Topic 1: The Context of Finance/ Financial Management Ch -1</td>
<td>No tutorial this week</td>
</tr>
<tr>
<td>2</td>
<td>1-5</td>
<td>14/02/12</td>
<td>Topic 2: Review of Financial Mathematics /Ch - 4</td>
<td>No tutorial this week</td>
</tr>
<tr>
<td>3</td>
<td>1-5</td>
<td>21/02/12</td>
<td>Topic 3: Risk and Return / Ch - 9</td>
<td>Tutorial: Topic 1&amp; 2</td>
</tr>
<tr>
<td>4</td>
<td>1-5</td>
<td>28/02/12</td>
<td>Topic 4: Valuation of Bonds and Shares / Ch - 10</td>
<td>Tutorial: Topic 3</td>
</tr>
<tr>
<td>5</td>
<td>1-5</td>
<td>06/03/12</td>
<td>Topic 5: Capital Budgeting 1 / Ch - 11</td>
<td>Tutorial: Topic 4</td>
</tr>
<tr>
<td>6</td>
<td>1-5</td>
<td>13/03/12</td>
<td>Topic 6: Advanced Capital Budgeting /Ch -12</td>
<td>Tutorial: Topic 5</td>
</tr>
</tbody>
</table>
| 7    | 1-5| 20/03/12| **Mid-term Review: MCQ test held at the Lecture, on Tuesday 20 March 2012, if not advised otherwise.** | Tutorial: Topic 6  
**Class test** |
| 8    | 1-5| 27/3/12 |                                                                              |                                                          |
| 9    | 1-5| 03/04/12| Topic 7: Advanced Capital Budgeting / Ch - 13  
**Major Assignment Submission by 5.00 pm on Thursday 05 April, 2012)** | No Tutorial this week                                     |
| 10   | 1-5| 10/04/12| Topic 8: Cost of Capital / Ch -14                                              | Tutorial: Topic 7                                         |
| 11   | 1-5| 17/04/12| Topic 9: Analysis and Impact of Leverage / Ch - 15                             | Tutorial: Topics 8                                        |
| 12   | 1-5| 24/05/12| Topic 10: Capital Structure Policy / Ch – 16                                   | No tutorial this week  
(due to Anzac Day)                                           |
| 13   | 1-5| 01/05/12| Topic 11: Dividend Policy and Internal Financing / Ch - 17                      | Tutorial: Topics 9 &10                                   |
| 14   | 1-5| 08/05/11| Review/ Exam Focus                                                            | Tutorial Topic 11                                         |
Tutorial Questions
The tutorial questions comprise a set of questions and problems for each topic from the Financial Management text book. You should attempt to work out the solutions of these questions before coming to your tutorial class so that you can do this at the tutorial and discuss them with other class members and your tutor to correct them. Once the tutorials for each week are completed a set of suggested solutions/solution guidelines to these tutorial questions will be posted on the unit website.

Tut-1: Topic 1 & 2: Review of Financial Mathematics
FM: Ch- 1, Review Questions 1-3, 1-5.
FM: Ch- 4, Review Questions 4-1, 4-3, 4-5
FM: Ch- 4, Problems 4-1(a), 4-2(a), 4-3(a), 4-4(a), 4-14(a), 4-17 (d), 4-25, 4-40, 4-44

Tut-2: Topic 3: Risk and Return
FM: Ch-9, Review Questions 9-3, 9-7, 9-8
FM: Ch-9, Problems 9-3, 9-8, 9-13, 9-22

Tut-3: Topic 4: Valuation of Bonds and Shares
FM: Ch-10, Review Questions 10-1, 10-2, 10-3, 10-6
FM: Ch-10, Problems 10-1, 10-6, 10-8, 10-10, 10-11

Tut-4: Topic 5: Capital Budgeting
FM: Ch-11, Review Questions 11-1, 11-7, 11-16
FM: Ch-11, Study Problems 11-3, 11-8, 11-9

Tut-5: Topic 6: Advanced Capital Budgeting 1
FM: Ch- 12, Review Questions 12-6, 12-7, 12-8, 12-12
FM: Ch- 12, Problems 12-6, 12-9, 12-17

Tut-6: Topic 7: Advanced Capital Budgeting 2
FM: Ch-13, Review Questions 13-2, 13-7, 13-10
FM: Ch-13, Problems 13-3, 13-8, 13-11

Tut-7: Topic 8: Cost of Capital
FM: Ch-14, Review Questions 14-2, 14-5, 14-7
FM: Ch-14, Problems 14-5, 14-8, 14-11, 14-16

Tut-8: Topic 9: Analysis and Impact of Leverage
FM: Ch- 15, Problems 15-2, 15-9, 15-13, 15-14

Tut-9: Topic 10: Capital Structure Policy
FM: Ch- 16 Review Questions 16-1, 16-3, 16-4, 16-8
FM: Ch- 16 Problems 16-2, 16-6, 16-8

Tut-10: Topic 11: Dividend Policy and Internal Financing
FM: Ch- 17, Review Questions 17-2, 17-3, 17-5, 17-8
FM: Ch- 17, Problems 17-2, 17-6, 17-9, 17-12
4: Unit Resources

db Lists of required texts/ readings


This text can be purchased from the University’s Co-op Bookshop.

Recommended readings:
From time to time you may find it useful to consult newspapers and journals such as:
- The Australian
- Accounting & Finance
- Australian Financial Review
- Business Review Weekly
- Journal of Corporate Accounting &Finance
- Journal of Banking & Finance
- Global Finance Journal
Each of these is available in UC library or online in electronic format.

There are several other textbooks on (business) finance in the University library which the students may be interested to consult for this unit including the following:


4b. Materials and equipment
Non Programmable Financial Calculators are recommended for all students.

4c. Unit website
Access to the unit website is a requirement of this unit. This can be achieved via Moodle. The LearnOnline site will NOT be used extensively in this unit and will only be used to provide access to PowerPoint lecture slides and some other supplementary teaching and assessment materials such tutorial and assignment questions and assignment marks etc. Please do not use the unit’s LearnOnline site to communicate with the Unit Convener/Lecturer.
5: Assessment

5a Assessment overview

<table>
<thead>
<tr>
<th>Assessment Item</th>
<th>Due Date</th>
<th>Weighting (%)</th>
<th>Learning Outcomes</th>
<th>Generic Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Item 1: Multiple Choice Test</td>
<td>Tuesday 20 March 2012 (during lecture time)</td>
<td>20%</td>
<td>1-4</td>
<td>1-4</td>
</tr>
<tr>
<td>Assessment Item 2: Major Group Assignment</td>
<td>Thursday 05 April, 2012 by 5.00 pm</td>
<td>20%</td>
<td>1, 2, 3, 4, 5</td>
<td>1, 2, 3, 4, 5</td>
</tr>
<tr>
<td>Assessment Item 3: Tutorial work</td>
<td>During tutorial time</td>
<td>10%</td>
<td>1,2,3,4,5</td>
<td>1-4</td>
</tr>
<tr>
<td>Assessment Item 4: Final Examination</td>
<td>Examination period</td>
<td>50%</td>
<td>1-4</td>
<td>1, 3, 4, 5</td>
</tr>
</tbody>
</table>

5b Details of each assessment item

Assessment Item 1— Multiple Choice Test (20% marks)

Multiple Choice Test

Supervised: Individual, Closed Book
Materials: Non-Programmable Financial Calculator, a Formulae sheet (provided)
Weighting: 20%
Held: Tuesday 20 March 2012 (Week 7) – at the Lecture Time, if not advised otherwise.
Test Coverage Topics 1-5.

There is a multiple choice test of 45 minutes duration weighting 20% of total assessment that will be held during the lecture time in week 7 (Tuesday 20 March 2012). You should attend your normal lecture time for the multiple-choice test. The test will assess the material covered in Topics 1 to 5.

The MCQ test is optional in the sense that students who for any reason are unable to sit the multiple choice tests during the lecture time on Tuesday 20 March 2012 or students who perform worse in the tests than the final examination (that is, if the percentage of marks obtained in the tests are lower than the percentage of marks obtained in the final examination) will have the mark allocation for the multiple-choice test added to the mark allocation for the final examination. Accordingly, for those students their final grade will be determined by 20% Assignment, and 70% Examination. In effect, the percentage of marks obtained in the exam will also be counted as the percentage of marks obtained in the test for those students.

The reallocation of marks as detailed above will be automatic.
Under no circumstances can the class tests be rescheduled to be taken at another time as the test is optional.

The MCQ test is a great opportunity for the students to reduce their load in the final examination and to improve their final grades. Therefore, students are strongly recommended to sit the MCQ tests to take this great opportunity of improving their final grades.

Conditions
Students will be permitted to take into the class test a financial calculator but not the calculator handbook. A formula sheet with most of the main formulae covered in this course will be provided to students as an attachment to the class test.

Submission and return details
The class tests are to be completed on the provided documentation and returned to the course staff at the end of the test/ before leaving the lecture theatre whichever earlier.

Assessment Criteria
The assessment of your test will take into account the correctness of your answer to the questions or task set, therefore, your sound knowledge and command on the relevant course materials, analytical capacity and decision making ability will be indirectly tested/ assessed in this case. Depending on the nature of the test and conditions detailed above, no remarking/ resubmission is available on this assessment.

Assessment Item 2: Major Group Assignment (20% marks)

Unsupervised       Up to groups of 3-4 students
Weighting:         20%
Length:            As stated in the Assignment questions
Due date:          Thursday 05 April, 2012
Submission:        Mail Box 6

This assessment item consists of a major assignment worth 20% of the total assessment mark in the unit. This is a compulsory assessment item. Students failing to submit the case study report will be awarded a fail grade (NC) for the unit.

The assignment is to be completed in groups of up to 3-4 students. Students are required to choose the group members and submit the names and student IDs of their group members by the end of 2nd week.

Assignment
The assignment will cover topics 1 to 7. You must submit it through the LearnOnline (Moodle) drop-off box facility by 5pm on Thursday 05 April, 2012 and in hard copy to Dr. Abu Mollik’s box 06, Building 6. Detailed assignment and instructions will be posted on LearnOnline by the end of week 5.
Assessment criteria

Your work will be assessed on the following basis:
1. Knowledge, understanding and application of financial and other relevant concepts and theories as explained and discussed in the unit.
2. Critical analysis.
3. Research and inquiry skills including appropriate referencing skills.
4. Effective communication.

See Appendix 1 for an outline of the manner (marking scheme/ marking criteria) in which your assignment will be assessed.

Assignment Presentation Requirements:
1. Each assignment should be typed using a word processing package in at least 12 points font with 1.5 line spacing.
2. The pages should be numbered.
3. A copy of the assignment must be kept and should be able to provide a copy at short notice should one be required.
4. The assignment should be checked for errors for spelling and grammar.
5. At the front of the assignment there must be a title page showing your group members names, your tutorial class, and the date the assignment is due.
6. A left margin of 40mm is required to allow for written comments.
7. Submission of assignments in soft copies will not be accepted. Therefore, the date of the email attachment as the proof of the meeting the submission deadline will not be accepted. The receipt date of the assignment should be the receipt date when the hard copy of the assignment is actually received. Penalties will apply for late submission as per the assignment submission guidelines of the unit.
8. Please do not submit assignments using managers files, sheet protectors etc.

If you put the assignment in the wrong box and the assignment reaches me after the due date you will incur a late penalty.

Failure to submit assessment item: If you fail to submit your assessment item 3 (major assignment) by the due date because of illness, misadventure or unavoidable commitments, please discuss the matter with the unit convener before the due date or as soon as possible thereafter.

If, however, your failure to submit was without reasonable cause, then the following penalty will apply: For each day late, a late penalty of 5% of marks will apply for every one (1) working day that you are late in submitting your work unless other arrangements have been made under this policy. The unit convener may waive the penalty if satisfied with the circumstances for late submission. Generally, assignments received more than one week late, will not be marked and the student will receive zero for the assignment.

No submissions will be accepted after the return of graded work.

Marks will be deducted for:
Not complying with submission requirements.
Late assignments.
No re-marking or re-submission is available for this assessment. However, re-counting of marks will be possible, in case of any mistake in aggregation of marks, subject to the unit convenor’s approval.

**Assessment Item 3: Tutorial Works (10% marks)**

Tutorial work will assess all learning outcomes including problem solving skills. You are expected to attempt all tutorial questions every session and you will be given a mark of one for complete attempts at all tutorial questions for that session and proportionate marks for partial attempts (e.g. half mark out of one for attempting 50% of tutorial work). This assessment will commence in Week 3. A total of ten marks for ten sessions work can be obtained from tutorials in weeks 3 to 7 and weeks 9 to 13. The tutor will check students’ work each week at the beginning of the tutorial time. If you cannot attend a tutorial due to unavoidable circumstances, you can e-mail or submit your work through the LearnOnline (Moodle) drop-off box facility on the same day or the day after the tutorial work is due and submit the hard copy making suitable arrangement with your tutor. You should keep a copy of all your tutorial works. Submitting 5 or more tutorial attempts (50% or more of scheduled tutorial works) will provide you with the pass mark for this item.

**Assessment Item 4: The Final Examination (50% marks)**

**Practical exercises and discussion and/ or analytical questions**

- Supervised: Individual, (Closed Book exam)
- Materials permitted:
  - Non-programmable financial Calculator (no calc. manual),
  - Unannotated Non-electronic English/foreign language dictionary,
  - Formulae sheet (provided),
  - one A4 sheet handwritten notes only on one side.
- Weighting: 50% (subject to completion of class test and assignment)
- Duration: 3 hours
- Date: During the exam weeks

The Final Examination will comprise a three-hour paper. It will cover the entire unit. More details about the exam structure would be provided in the review session. Permitted materials for use in the examination: (a) One English/foreign unannotated non-electronic language dictionary, (b) a non-programmable financial calculator, and (c) one A4 sheet handwritten notes only on one side.

**Subject policy on re-submissions, late penalties, absences etc:**

Re-submission is not permitted for any item of assessment. All requests for extension must be in writing and addressed to the unit convenor. Your first point of contact in this regard should be your unit convenor.

- Extension and deferrals are not automatically granted just because a request is made.
- Extension for the assignment will only be granted as allowed under university rules relating to extensions on assignments (see *Studying at the University of Canberra: A Guide to Policies and Procedures*).
An extension longer than one week, generally, will not be granted. No assignment will be accepted after one week past the due date.

- You are normally required to provide an original Medical Certificate for extensions and deferrals.
- Unless there are exceptional circumstances, requests for extensions must be submitted prior to the due date of the assignment. You must also keep a photocopy of your request.
- Please note that the submission of major assignment and final exam are compulsory parts of the assessments in this unit. Therefore, if you fail to fulfil any of these assignment/assessment item requirements and do not do the final exam, then you will be awarded an NC/NN Grade overall irrespective of how well you do with respect to your overall score in the unit. Assessment weight of your final exam score will not be changed due to your inability to do the assessments.

**Student responsibility in relation to assessments**
You must submit your assignment in the designated mailbox (6) or to the tutor or the lecturer’s office by the due date. Any assignment received after 5.00 pm will be considered submitted late and appropriate late penalties will apply. Please be advised that there is no possibility of lost assignment if you submit your assignment in the right designated mailbox. Therefore, claims of lost assignment from the mailbox will NOT be accepted.
If there is any doubt with regard to the requirements of any particular assignment or assessment procedure, the onus for clarifying the issue rests with the student who should contact the unit convenor about the matter.

5c **Special assessment requirements**
To obtain a pass or better in this unit students must achieve at least 50% overall.

5d **Supplementary assessment:**
Supplementary assessment will be offered only in those cases covered by the University policies. See paragraph 6.7 of the Guide to policies and Procedures for further information.

5e **Academic Integrity**
Students have a responsibility to uphold University standards on ethical scholarship. Good scholarship involves building on the work of others and use of others’ work must be acknowledged with proper attribution made. Cheating, plagiarism, and falsification of data are dishonest practices which contravene academic values.

5f **Text matching software**
Students are advised to read carefully the University policy with respect to plagiarism available at the URLs indicated at the top of this unit outline. Text matching software may not be used in this unit to check for plagiarism.

6: **Student Responsibility**

6a **Workload**
The amount of time you will need to spend on study in this unit will depend on a number of factors including your prior knowledge, learning skill level and learning style.
Nevertheless, in planning your time commitments you should note that for a 3cp unit the total notional workload over the semester or term is assumed to be 150 hours. These hours include time spent in classes. The total workload for units of different credit point value should vary proportionally. For example, for a 6cp unit the total notional workload over a semester or term is assumed to be 300 hours.

6b Special needs
Students who need assistance in undertaking the unit because of disability or other circumstances should inform their Unit Convener or the UC AccessAbility (formerly the disabilities Office) as soon as possible so the necessary arrangements can be made.

6c Participation requirements
Attendance is not compulsory but the unit has been designed on the assumption of face-to-face delivery and learning principles and so students who do not attend regular classes will be disadvantaged in terms of learning and feedback.

6d Withdrawal
If you are planning to withdraw please discuss this with your unit convenor. Please see this link for further information on deadlines.

6e Required IT skills
You are assumed to have adequate skills in the use of word-processing and spreadsheet programs, internet browsers and search engines. You are also assumed to be familiar with LearnOnline. If you feel you do not have adequate skills, please discuss the matter with the unit convener.

6f Costs
Unit enrolment fees, textbooks, stationary and calculator, are anticipated.

6g Work placement, internships or practicums
Not applicable. There are no WIL requirements in this unit.

6h Additional information
Citations used in assessment items should follow Harvard referencing style. If you are unfamiliar with Harvard referencing please seek the assistance of Library staff.

7: Student Feedback

All students enrolled in this unit will have an opportunity to provide anonymous feedback on the unit at the end of the Semester via the Unit Satisfaction Survey (USS) which you can access by logging into MyUC via the UC homepage: http://www.canberra.edu.au/home/. Your lecturer or tutor may also invite you to provide more detailed feedback on their teaching through an anonymous questionnaire.
8: Authority of this Unit Outline

Any change to the information contained in Section 2 (Academic content), and Section 5 (Assessment) of this document, will only be made by the Unit Convener if the written agreement of Head of Discipline and a majority of students has been obtained; and if written advice of the change is then provided on the unit site in the learning management system. If this is not possible, written advice of the change must be then forwarded to each student enrolled in the unit at their registered term address. Any individual student who believes him/herself to be disadvantaged by a change is encouraged to discuss the matter with the Unit Convener.
Appendix 1: Marking Guide for Assignment (Please detach and submit with your Assignment after completing Student Identification)

BUSINESS FINANCE 6392
ASSESSMENT CRITERIA SHEET

STUDENT IDENTIFICATION

This Assessment Criteria Sheet is designed to give you an overview of your assessment for this assignment and to provide you with a guide as to where and how your work may have been improved. Part A is worth 08 marks, Parts B is worth 08 marks and Part C is worth 04 marks. Marks will be allocated according to the following criteria:

| Part A | 8 Successfully used and analysed data/information to create excellent coherent responses; demonstrates a deep understanding of core concepts. |
|        | 6 Used the relevant data/information to provide adequate responses demonstrating a sound understanding of concepts. |
|        | 3 Provided responses that showed little evidence of understanding the data/information, and limited comprehension as to concepts. |
|        | 0 Does not show any evidence of understanding of concepts or of reviewing the relevant data/information. |

| Part B | 8 All measures were successfully calculated and organised and presented in an orderly manner. |
|        | 6 Most measures were successfully calculated and well presented. |
|        | 3 Very few measures were successfully calculated and presentation was of a poor standard. |
|        | 0 No attempt was made to use the correct formulae/measure. |

| Part C | 4 Incorporates a high degree of analysis and demonstrates excellence in utilising relevant data and other pertinent information. |
|        | 3 Demonstrates adequate analysis and use of relevant data. |
|        | 2 Demonstrates little analysis and use of relevant data. |
|        | 0 No analysis or reference to relevant data. |

Comments: