

Finance (Corporate) 307

Unit Outline Semester 2, 2008

Unit Index Number	11038
Hours per Week	3 hours
Weekly Tuition Pattern	2 hour lecture/seminar, and 1 hour tutorial/laboratory
Credit Value	25 credits
Pre-requisites	12807 Finance (Managerial) 212 or any previous version OR 12607 Finance (Principles) 215 or any previous version
Unit Coordinator	Dr. Subhrendu Rath
Unit Coordinator's office	402.405
Unit Coordinator's email	subhrendu.rath@cbs.curtin.edu.au
Contact Telephone Numbers	9266 7554
School Telephone & Fax Numbers	9266 7796 (tel) or 9266 3026 (fax)
Website for Unit Materials	http://elearn.cbs.curtin.edu.au
Student Consultation Times	Fridays 12-4 (during semester)

IMPORTANT NOTICE

The Unit Outline (this document) gives the student important information about the unit, aims, outcomes, syllabus, materials, timetable, program and assessment.

Note that important information relating to policies, expectations, examinations, copyright, referencing, academic misconduct, plagiarism, assistance with communication skills, guidelines for assessment, and CV development is contained in the publication titled: **Curtin A-Z 08 Student Passport guide**. This document is available for collection from CBS Student Services Office or can be accessed at www.business.curtin.edu.au/studentpassport.

You are required to be aware of, and fulfil, your responsibilities under the University's statutes, rules, policies and procedures so it is important that you review the content in "**Curtin A-Z 08 Student Passport**" in detail.

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UNIT INFORMATION

1. Aims

The aims of this unit are to:

1. Study developments in corporate finance theory
2. Present relevant tools and techniques to facilitate financial decision making
3. Familiarise students with corporate sector financial management
4. Examine the main issues faced by financial managers of public companies

2. Outcomes

2.1 *Learning Outcomes*

On successful completion of this unit, students should be able to:

1. Develop a greater depth and understanding of theories of Corporate Finance and their limitations
2. Develop an understanding and skills in the application of financial management tools and techniques
3. Develop how to gather information relating to the capital sources and uses in a public corporation
4. Gained an interest in the recent strategies employed by corporations

2.2 *Graduate Attributes and Professional Skills Outcomes*

Employers worldwide want graduates who have developed effective professional skills and attributes. The CBS graduate attributes and professional skills program includes communication (writing, interpersonal interactions and cultural awareness, and presenting), critical and creative thinking (problem solving and decision making), team work, IT literacy, information literacy, international perspectives and life-long learning.

On successful completion of this unit, students should be able to:

1. Examine theories of corporate finance and their limitations
2. Apply financial management tools and outcomes
3. Analyse information relating to sources and uses of capital from a CFO perspective
4. Evaluate financial policies of public corporations

3. Syllabus

Finance (Corporate) 307 focuses on some of the important aspects of the corporate finance theory and relevant tools and techniques to facilitate financial decision making. It aims to expose students to and familiarise them with corporate sector financial management by examining the main issues faced by financial managers of public companies. Topics covered are: Information asymmetry and signalling, agency theory, capital markets and sources of funds, capital budgeting under uncertainty, capital structure, dividend policy, the market for corporate control and corporate governance.

4. Materials

4.1 Texts

Brealey, A. Richard. and Myers, C. Stewart Allen, Franklin (2005), **Corporate Finance, International Edition**, 8th Edition, McGraw Hill International.

(Please note that there is a 9th edition available; However, the 9th edition is not an International edition and is not the required textbook)

4.2 References

In addition to the set textbook(s) the following references will be useful:

The Australian Financial Review (www.afr.com)

The Australian (Business section) (www.news.com.au)

4.3 Other Resources

Ross, A. Stephen, Westerfield, W. Randolph and Jordan, D. Bradford (2008) Fundamentals of Corporate Finance, McGraw-Hill/Irwin, 8th edition

Frino, Alex, Cusack, Tony and Wilson, Kent (2006) Introduction to Corporate Finance, Pearson Education

Blackboard

All materials and additional resources (including lecture notes and tutorial solutions) are available from the Blackboard portal

(<http://elearn.cbs.curtin.edu.au/webapps/portal/frameset.jsp>)

Please ensure that you check Blackboard regularly until the end of the final examination.

5. Timetable of Classes for Bentley campus only (for non-Perth students, contact your local institutions for schedule)

Class ID	Day	Start Time	End Time	Class
Lecture 01	Friday	1000	1200	405:201
Finance (Corporate) 307/Tutorial	Friday	8:00	9:00	402.325
Finance (Corporate) 307/Tutorial	Friday	9:00	10:00	402.325
Finance (Corporate) 307/Tutorial	Friday	12:00	13:00	402.314
Finance (Corporate) 307/Tutorial	Friday	13:00	14:00	402.314
Finance (Corporate) 307/Tutorial	Friday	14:00	15:00	402.314
Finance (Corporate) 307/Tutorial	Friday	15:00	16:00	402.314
Finance (Corporate) 307/Tutorial	Tuesday	12:00	13:00	402.343
Finance (Corporate) 307/Tutorial	Tuesday	13:00	14:00	402.343
Finance (Corporate) 307/Tutorial	Tuesday	14:00	15:00	402.343
Finance (Corporate) 307/Tutorial	Tuesday	15:00	16:00	402.343
Finance (Corporate) 307/Tutorial	Tuesday	17:30	18:30	402.348

6. Program

Semester Two

Week	Begin Date	Topics	Pre-readings	Tutorial/ Laboratory	Assessment Due
1.	28 Jul	Intro, NPV, IRR, Review (Note-1)	Chapter 3	Introduction, Unit Outline Review	
2.	04 Aug	Investment Decision-1 (Note-2)	Chapter 3, 5	Ch.3: PQ 14, 22, 23, CQ 3	
3.	11 Aug	Investment Decision-2 (Note-2, cont'd)	Chapter 6	Ch. 5: PQ 3, 4, 5	Quiz 1
4.	18 Aug	Investment Decision-2 (Note-3)	Chapter 6	Ch. 6: PQ 1, 4, 5	
5.	25 – 29 Aug	Tuition Free Week			
6.	01 Sept	CAPM and Cost of Capital (Note-4)	Chapter 7, 8	Ch. 6: PQ 10, 13, 14, 17	
7.	08 Sept	Corporate Financing (Note-5)	Chapter 14, 15	Ch. 7: PQ 1, 14 Ch. 8: QZ 6, PQ 1, 8	Quiz 2
8.	15 Sept	Mid term Examination		No Tutorial	Mid term Examination
9.	22 Sept	Capital Structure-1 (Note-6)	Chapter 17, 18	Ch. 14: PQ 2, 7 Ch. 15: PQ 4, 8, CQ 3	
10.	29 Sept – 03 Oct	Tuition Free Week			
11.	06 Oct	Capital Structure-2 (Note-7)	Chapter 17, 18	Ch. 17: PQ 3, 7 (a) (b) (c), 8	
12.	13 Oct	Capital Structure-3 (Note-8)	Chapter 17, 18	Ch. 17: PQ 11, 12, 13	
13.	20 Oct	Dividend Policy (Note-9)	Chapter 16	Ch. 18: QZ 7, PQ 6, 7	Quiz 3
14.	27 Oct	Revision	-	Ch. 16: PQ 2, 3, 5, 8	
15.	03 – 07 Nov	Study Week			
16.	10 – 14 Nov	Exams Week 1			
17.	17 – 21 Nov	Exams Week 2			

PQ = Practice Questions, CQ=Challenge Questions, QZ= Quiz Questions

Please note that the above schedule of topics is in order in which they are to be covered.

However, there may be overlap or leftover of topics from week to week.

7. Assessment

7.1 Summary

To pass this unit you must:

- a) Receive an overall grade of 5 or above and a mark greater than or equal to 50, AND
- b) Submit all assessment activities, AND
- c) Pass the exam

No.	Assessment Activity	Percentage %
1	Quiz 1	5%
2	Quiz 2	7%
3	Quiz 3	8%
4	Mid Semester Test	30%
5	Exam	50%
	Total	100%

The assessments are due as per the Program above.

7.2 Assessment Details

7.2.1 Quiz 1 - 3

The quizzes will be held on the dates specified in the Perth program during your enrolled tutorial time. Each quiz will be around 10 minutes in duration. Details regarding the quizzes will be provided in the tutorial the week prior to the quiz. The quizzes are designed to ensure that students maintain a steady and consistent workload throughout the semester.

Note to Local Lecturers at all locations:

The Local Lecturer is responsible for writing and marking of the quizzes, and keeping a record of the results. The Local Lecturer is free to formulate the quizzes with appropriate academic standard. The timing of the quizzes can be adjusted as per Local timetable and prior permission is not necessary. In order to ensure consistency of academic standard of all students, the midterm exam must be held within plus or minus 1 week of the stipulated exam time as designated in the schedule above. Student marks along with the midterm examination marks are to be forwarded to the Unit Controller by the end of the study week of the semester.

7.2.2 Mid Semester Test

The midterm exam will be held on the date specified in the program. The midterm is usually to answer 4 or 5 problems/questions. Details regarding the midterm will be given prior to the midterm exam on the Blackboard. **For Perth students the midterm will be held during the lecture time.**

For offshore locations, students are required to check with your local offices for time and venue details.

7.2.3 Examination

The Final exam will be held on the date specified by the University during the final exam period for the semester. The final exam is usually two hours duration to answer 5 to 6 problems and questions. The final exam is a comprehensive exam covering all aspects of the unit. Details regarding the final exam will be given prior to the end of semester on the Blackboard.

7.3 Assessment Compliance Information

Due dates will be strictly adhered to. Extensions will be granted only in cases of demonstrated urgent need. It is your responsibility to check the due date.

The Final Exam will be held during the formal examination period. It is the student's responsibility to check the date and time of the Final Exam on the Curtin website.

Official release results for this unit are published on Oasis on the Curtin website.
<http://oasis.curtin.edu.au>

7.4 Penalty for Late Submission of Assessments

If you are unable to sit the quizzes because of a medical condition, please contact the tutor Mellisa Lewis (mellisa.lewis@cbs.curtin.edu.au). If you are unable to sit the mid semester test, please contact the Unit Controller.

Deferred assessments are strongly discouraged. Request for deferred assessment on the basis of medical conditions must be written and accompany a letter (in English) from the medical practitioner. This letter must address the specific condition of the student and explain why it would have been impossible for the student to sit for the assessment. A simple "unfit-for-work" certificate is not an acceptable letter.

Please note – there are no deferred mid semester exams and final exam marks may be scaled to 80%.

7.5 Relationship of Assessment Activities to Learning Outcomes and Professional Skills

This table illustrates how the assessment activities relate to the assessment of the learning outcomes and professional skills.

Outcomes Learning Outcomes	Assessment Activity			
	Quiz 1 - 2	Quiz 3	Mid Semester Test	Exam
1. Develop a greater depth and understanding of theories of Corporate Finance and their limitations	✓	✓	✓	✓
2. Develop an understanding and skills in the application of financial management tools and techniques	✓	✓	✓	✓
3. Develop how to gather information relating to the capital sources and uses in a public corporation		✓		✓
4. Gained an interest in the recent strategies employed by corporations			✓	✓
Professional Skills	Quiz 1 - 2	Quiz 3	Mid Semester Test	Exam
1. Examine theories of corporate finance and their limitations	✓	✓	✓	✓
2. Apply financial management tools and outcomes	✓	✓	✓	✓
3. Analyse information relating to sources and uses of capital from a CFO perspective				✓
4. Evaluate financial policies of public corporations				✓

8. General Information

Please see the **Curtin A-Z 08 Student Passport guide** as described on Page 1 of this document for important general information. This information can also be accessed at www.business.curtin.edu.au/studentpassport .

9. Supplementary Instructions and Materials

None.

10. Improvements and Student Feedback

The CBS values student feedback as one of the many ways to continuously inform improvements to this Unit.

Recent improvements have included:

1. Change in the assessment structure to allow for a more consistent approach to learning
2. Additional questions to provide real life examples of the corporate world
3. A 'Feedback' link on the Blackboard portal where once a week there will be some feedback given related to the topic, assessment, improvement suggestions, etc.

Recent student feedback on this Unit is available at: <http://evaluate.curtin.edu.au/reports/>

END OF UNIT INFORMATION