

School of Accounting and Commercial Law

**MMPA 504 FINANCE**

Trimester 3, 2013/4

**COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
<i>Course Coordinator &amp; Lecturer</i> Dr Stephen Keef <a href="mailto:stephen.keef@vuw.ac.nz">stephen.keef@vuw.ac.nz</a> Office Hours: TBA	RH 210	463 5233 x7515
<i>Lecturer</i> Tina Wendel <a href="mailto:tina.wendel@vuw.ac.nz">tina.wendel@vuw.ac.nz</a> Office Hours: TBA	RH 210	463 5233 x7515
<i>Course Administrator</i> Pinky Shah <a href="mailto:pinky.shah@vuw.ac.nz">pinky.shah@vuw.ac.nz</a> Office hours: Monday-Friday, 9am-5.30pm	RH 728	463 6921

**Trimester Dates**

Monday 18 November 2013 – Friday 28 February 2014

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 29 November 2013.
2. The standard last date for withdrawal from this course is 28 January 2014.

After the last date stated in #2, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

**Class Times and Room Numbers**

**Thursdays:** 5.40-8.30pm

**Venue:** GB LT 1 (Government Buildings Lecture Theatre 1), Pipitea Campus

**Exceptions:** Lecture 3 will take place on Thursday 5 December in **RHLT2** (5.40-8.30pm)  
Lecture 11 will take place on **Friday 7 February in GBLT1 (1.40-4.30pm)**

## **Course Delivery**

There will be one three-hour class per week. On average, the class will be divided into the following sections: (i) a 50 minutes lecture, (ii) 50 minutes of class discussion and (iii) a 50 minutes tutorial session.

## **Group Work**

Collaboration on individual assignments is not allowed beyond general discussion as to the nature of the assignment question. Please do not work together to produce any written work and do not loan out your completed assignments.

## **Expected Workload**

It is expected that students will work for 150 hours across the course. Lectures and workshops account for 36 hours of this time. Accordingly, students are expected to allocate seven hours per week during the teaching weeks (outside of class) to lecture preparation, lecture review, readings, and assignments, and a further 30 hours preparing for assessments.

## **Prescription**

Financial decision-making by firms, and the behaviour of financial markets.

## **Course Learning Objectives**

Students who are successful in this course will be able to:

- (a) Analyse the objectives of an entity and discuss how it is financed and explain how financial decisions including dividend decisions are made, taking into account risk and return.
- (b) Explain the relevance of capital markets to an organisation, understand the capital asset pricing model and how the weighted average cost of capital is calculated and used in project appraisal.
- (c) Analyse the investment appraisal process and apply the main appraisal techniques to projects and explain their advantages and disadvantages.
- (d) Evaluate the key types of financial instruments and their functions.
- (e) Explain the principles of valuation with respect to financial instruments and securities and describe methods of whole firm valuation.

## **Course Content**

A lecture and reading schedule is provided on page 4.

## **Readings**

The set textbook is:

Ross, S.A., Westerfield, R.W. and Jaffe, J. *Corporate Finance* (2013), 10<sup>th</sup> edition, McGraw-Hill Irwin.

Additional material will be made available on Blackboard.

## **Materials and Equipment**

Only silent non-programmable calculators are permitted in the tests.

## Assessment

Option One		Option Two (if it will benefit the student)	
Mid-Trimester Test (50 minutes, Closed Book)	30%	Final Test (2 hours, Closed book)	100%
Final Test (2 hours, Closed book)	70%		

*The Mid-Trimester Test will be held on Thursday 9 January 2014 at 5.45pm to 6.35pm in GBLT1. The Mid-Trimester Test will be based on the material covered in Lectures #1 to #4.*

*The Final Test will be held on Thursday 20 February 2014 from 5.45pm to 7.45pm in GBLT1. The Final Test will be based on all material covered in the course.*

## Mandatory Course Requirements

None.

If you cannot complete an assignment or sit a test or examination, refer to [www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

## Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

## Communication of Additional Information

Additional information concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

## Student feedback

Any feedback is considered and followed up on.

Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php)

## Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

## Note to Students

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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### Lecture and Reading Schedule

<b>Week/ Date</b>	<b>Room</b>	<b>Content</b>	<b>Chapter readings</b>
1 21 Nov	GBLT1	Introduction & NPV	4, 6.1, 6.3, 6.5
2 28 Nov	GBLT1	NPV	8.1, 8.2, 8.4, 9.1
3 5 Dec	RHLT2	Alternative Methods	5
4 12 Dec	GBLT1	CAPM	10, 11.6, 11.9, 13
5 19 Dec	GBLT1	Special Topics	TBA
<b>Mid-Trimester Break (Saturday 21 December 2013 – Sunday 5 January 2014)</b>			
6 9 Jan	GBLT1	Mid-Trimester Test (5.45pm in GBLT1) EMH	14
7 & 8 16 Jan & 23 Jan	GBLT1	Capital Structure and Cost of Capital – no tax and tax	11.1, 11.2, 15, 16.1 to 16.5 recap 2.1, 3.2, 8.1, 13.3
9 30 Jan	GBLT1	Capital Structure and Cost of Capital – tutorials	
10 7 Feb	GBLT4*	Capital Structure – other aspects and tutorials	17, 30.1, 30.4
11 13 Feb	GBLT1	Dividend Policy	19
12 20 Feb	GBLT1	Review of the Course Final Test (5.45pm in GBLT1)	

\* Lecture 10 will take place on **Friday 7 February (1.40-4.30pm) in GBLT4**