



Victoria International Applied Finance Programme

School of Economics and Finance

MMAF502 CORPORATE FINANCE

Trimester 2 2005

COURSE OUTLINE

Contact Details

The course co-ordinator is Joe Cheung. Preferred contact is by email. Email address: jcheung@xtra.co.nz.

Block Release Times

First Block: 9:30am Saturday, August 13 - 12:30pm Monday, August 15, 2005

Second Block: 9:30am Saturday, October 8 – 12:30pm Monday, October 10, 2005

Attendance for all sessions of both block releases is compulsory.

Course Objectives and Contents

The goal of this course is to provide students with a thorough understanding of the fundamental concepts in Corporate Finance. You will learn how these concepts can be applied in making corporate financial decisions. On completion of this course, you should:

- have a good understanding of the conceptual foundations of corporate financial decision making;
- be able to perform a sound valuation of companies and investment projects;
- be familiar with the basic approach of real options valuation;
- have developed the skills to estimate costs of capital;
- be capable of applying a logical framework to analyse corporate financial decisions such as decisions in the areas of capital structure and dividend policy; and
- have an understanding of corporate funding instruments such as warrants, rights and convertible bonds;
- have an understanding of issues behind mergers and acquisitions
- gain an appreciation of the New Zealand environment for corporate decision making

Readings

Ross, Westerfield and Jaffe (2002), Corporate Finance, 7th edition, McGraw-Hill Irwin.

The textbook will be supplemented by summary notes.

Materials and Equipment

It is necessary to bring a calculator to the block courses. A good financial calculator such as the HP10BII is strongly recommended. During tests students will be allowed to use calculators, but not hand held or other computers.

Assessment Requirements

There will be two assignments, one course project and two tests.

The two assignments are based on end-of-chapter problems from the textbook. The course project requires you to produce a cost of capital report for a listed company.

The two tests will be 2-hour long, and held at the end of each session. The marks will be allocated as follows:

Tests:	One test at each block release session based on reading assigned for period leading up to the block release and material presented at the block release.	
	Test 1	30%
	Test 2	30%
Assignments:	Assignment 1	10%
	Assignment 2	10%
	Course Project	20%
Total Assessment:		<hr/> 100%

The due dates for the assignment and the project are listed below:

Assignment 1	29 July 2005 (Friday)
Assignment 2	23 September 2005 (Friday)
Project	24 October 2005 (Friday)

Penalties

Each of the two major assignments will be marked out of a maximum that diminishes by 5% for every day late, with a weekend counting as one day. The date of submission shall be taken as the date of delivery or the day of postmark, if by post. There will be a final cut off date (normally one week after due date) advised for each assignment, after which no assignment can be accepted.

The major assignments will each carry a specified word or page limit. If an assignment exceeds the limit, credit will be given only from the beginning of the assignment up to the word limit. No credit will be given for the portion of work extending beyond the word limit.

Mandatory Course Requirements

To pass, a student must: (i) attend all sessions of both block release courses; (ii) obtain an average mark of at least 50% over total course assessment.

Communication of Additional Information

Additional information including assignment questions, details of the block course schedule, feedback on course assessments, etc will be provided by email or by post. Students are responsible for ensuring that the VIAF Administrator, Bun Wong, has their up to date email and postal addresses.

If you have, or become aware of, any health condition that could prevent you attending a VIAF compulsory block release, then you should notify the Programme Director immediately, preferably by email, Dawn.lorimer@vuw.ac.nz .

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office, will be open from 9:00 am to 5:00 pm during Trimester 2, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

Please note:

There will be a Student Administration Adviser, from the RWW office, based in EA005 from Monday 27 June to Friday 1 July (9:00 am to 5:00 pm) and from Monday 4 July to Friday 22 July (11:00 am to 1:00 pm).

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Adviser. This Statute is available in the Faculty Student Administration Office or on the website at: www.vuw.ac.nz/policy/StudentConduct.

The policy on Staff Conduct can be found on the VUW website at: www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievance Policy which is published on the VUW website:

www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct

(www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the contact the VIAF Programme Director as early in your course of studies as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. (Given the intensive block course nature of teaching in the VIAF Programme, it would be much appreciated if you would contact the VIAF Programme Director at the time you join the programme, or ask Disability Support to do so on your behalf.) Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz.