

Victoria International Applied Finance Programme

School of Economics and Finance

MMAF502 CORPORATE FINANCE

Trimester Two 2006

COURSE OUTLINE

Contact Details

The course coordinator is Dawn Lorimer. Room RH306. Preferred contact is by email.
Email address: dawn.lorimer@vuw.ac.nz

The course lecturer is Joe Cheung. Email address: jcheung@xtra.co.nz

Block Release Times

First Block Release: Saturday 26th Aug 9:30am – Monday 28th Aug 12:30pm;
and

Second Block Release: Friday 20th Oct 9:30am – Sunday 22nd Oct 12:30pm.

A detailed schedule of each block release course will be supplied closer to the August and October sessions. The final test for the first block release will be held on Monday, 28th August 2006 and the final test for the second block release will be held on Sunday, 22nd October 2006.

Attendance for all sessions of both block releases is compulsory.

Course Objectives

This course aims to provide students with a thorough understanding of the fundamental concepts in Corporate Finance. Students will learn how these concepts can be applied in making corporate financial decisions. On completion of this course, students 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 able to apply a logical framework to analyse corporate financial decisions in areas such as capital structure, dividend policy and risk management; and
- gain an appreciation of the New Zealand environment in which corporate decisions are made.

Expected Workload

	<u>Activity type</u>	<u>Number of hours</u>
Weeks (12) outside block release	Readings/studying	100 hours

	Assignments	30 hours
	Mini Project	20 hours
Two block releases	Lectures/tests	36 hours
	Studying	14 hours

Readings

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

Any additional materials will be obtainable from the internet or else will be supplied as hand-outs.

Materials and Equipment

Students are expected to use Microsoft Excel (or a scientific calculator) to do the assignments. A standard scientific calculator will be required for the two tests. You can also use a financial calculator in the tests. However, the test questions will be designed to ensure that a financial calculator will not have any clear advantage over a scientific calculator.

Assessment Requirements

There will be two assignments, one mini-project and two tests. The two assignments consist of end of chapter problems in RWJ. The set of problems are listed under Course Contents above. Each assignment will be due before each block release.

The mini-project requires you to write a critical commentary on the financial management policies of a group of listed companies in New Zealand. Details of the project will be provided during the first block release. It will be due approximately 2 weeks after the second block release.

A 2-hour test will be held at the end of each block release. The marks will be allocated as follows:

First session:

Assignment 1:	10%
<u>Test 1:</u>	<u>33%</u>

Second session:

Assignment 1:	10%
Mini Project:	14%
<u>Test 2:</u>	<u>33%</u>
	<u>100%</u>

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

Assignment 1	10 Aug 2006 12 noon (Thursday)
Assignment 2	5 October 2006 12 noon (Thursday)
Mini-Project	9 November 2006 12 noon (Thursday)

Penalties

Each of the 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, one week after the due date for each assignment, after which no assignment can be accepted. The assignments will each carry a specified word limit. If an assignment exceeds the word 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

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; (iii) achieve a minimum of a 45% average in the two tests.

Communication of Additional Information

Any 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 Programme Senior 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 director immediately, preferably by email, Dawn.Lorimer@vuw.ac.nz.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services 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. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education 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 is available for the following:

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

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy 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; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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 Grievances Policy which is published on the VUW website at 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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

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

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 Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. (04) 463 6983 or (04) 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Māori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Māori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafai.Seiuli@vuw.ac.nz