



Victoria Management School

**MMBA 532 BUSINESS RESEARCH PROJECT**

Trimester Two - 2006

**COURSE OUTLINE**

**Contact Details**

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**Class Times and Room Numbers**

To be arranged

**Course Objectives**

The Master of Business Administration Programme serves to produce professional managers capable of fulfilling strategic roles within international business and government enterprises. Integral to this capability is an understanding of the corporate finance within the context of domestic and international financial markets.

This course aims to provide students with a solid theoretical base upon which a practical framework for managing and succeeding in the workplace can be established. The scope of this course is broad. With an initial understanding of financial markets and financial institutions, the major functions of corporate finance will be covered, namely investment analysis utilising net present valuation and real options and financing alternatives involving the analysis of costs and risks and the selection of appropriate risk management techniques. In studying these broad areas, the problems arising from asymmetric information and principal – agent issues will be highlighted. By the end of this course, you should:

1. Have an understanding of the major theories and concepts underlying the corporate finance.
2. Have a sense of how these theories are applicable within the business context.
3. Have a strategic perspective with respect to the linkages and interrelationships in managing corporate finance.

## Readings

The set text is:

Ross, S. A., R. W. Westerfield and J. Jaffe, (2005) Corporate Finance, 7th International edition, McGraw-Hill / Irwin.

An alternative view is given by

Brealey, R. A. and S. C. Myers (2003) Principles of Corporate Finance, 7<sup>th</sup> International edition, McGraw-Hill / Irwin.

In addition to the textbook, this course will rely on materials from a variety of sources, including practitioner and academic journals.

## Materials and Equipment

It is expected that, where possible, all assignment submissions will be prepared on white bond paper using PC technology and submitted in hard copy.

## Assessment Requirements

Week	Topic
3	* Tutorial Assignment NPV 1
4	* Tutorial Assignment NPV 2
5	* Tutorial Assignment Alt-2-NPV
8	* CAPM/Risk exercise
8	* Tutorial Assignment CAPM
9	* Essay on EMH (1,200 word limit)
11	* Energy Direct Case Study

All assignments carry the same marks.

## Penalties

In fairness to other students, work submitted after the deadline will be subject to a penalty of 5% of the total marks available per day of lateness. Assignments more than one week late will not be accepted. A “zero” mark will be applied. In the event of unusual, unforeseen circumstances (e.g., serious illness, family bereavement), students should discuss waiver of the penalty with the course controller prior to the deadline date.

## Mandatory Course Requirements

There are no mandatory course requirements for this course.

## Victoria MBA Grading Standards

- Victoria MBA - **Excellent** Category  
A (80 – 85%) to A+ (above 85%): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master’s level.
- Victoria MBA - **Very Good** Category  
B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds “competency”.
- Victoria MBA - **Good** Category  
B- (60 – 64%) to B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.
- Victoria MBA - **Satisfactory** Category  
C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student on this quality.
- Victoria MBA - **Unsatisfactory** Category  
E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.
- Please note that the MBA Board of Studies (End of Course Marks Meeting) reserves the right to adjust final grade distributions in order to achieve meaningful grading standards and equity in the application of evaluation standards across various MBA courses.
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## Individual Work

While the Victoria MBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your completed assignments.

## Communication of Additional Information

Additional information and information on any changes will be conveyed to students via class announcements.

## **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](http://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](http://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](http://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](http://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](http://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](mailto: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 Kaiwao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email [student-services@vuw.ac.nz](mailto: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/](http://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](mailto:education@vuwsa.org.nz)) is located on the ground floor, Student Union Building.

### **Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)**

This is a mentoring service for Maori 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](mailto:Puawai.Wereta@vuw.ac.nz)

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

## Lecture Schedule - MMBA 532 – 2006

*(Assignment due dates marked \*)*

Week	Topic	Chapter Readings
1	Introduction	
2	Net Present Value Method	4
3	Valuing Bonds and Shares	5.1 - 5.4
	* Tutorial Assignment NPV 1	
4	Alternative Investment Rules	6
	* Tutorial Assignment NPV 2	
5	Review of NPV method	
	* Tutorial Assignment Alt-2-NPV	
6	Risk and CAPM	9 & 10
7	Risk and CAPM continued	10 & 12
8	Efficient Markets Hypothesis (EMH)	13
	* CAPM/Risk exercise	
	* Tutorial Assignment CAPM	
9	Capital Structure Theory	15 & 16
	* Essay on EMH (1,200 word limit)	
10	Capital Budgeting	7 & 12 & 17
11	* Energy Direct Case Study	
12	Review	