

School of Economics and Finance

FINA 101 FINANCE FOR BUSINESS

Trimester Two 2011

COURSE OUTLINE

Names and Contact Details

Lecturer: Mrs. Marsha Keefe-Course Coordinator
Office: EA119, Phone: 463-7449
Email: Marsha.Keefe@vuw.ac.nz
Office Hours: Tues/Thurs 10:00am-10:45am; 12:00pm-12:50pm,

Lecturer: Dr. Leigh Roberts
Office: RH323, Phone: 463-5937
Email: leigh.roberts@vuw.ac.nz
Office Hours: Tues/Thurs 10:00am-10:45am; 12:00pm-12:50pm

Administration: Francine McGee
Office: RH319, Phone: 463-5818
Email: Francine.McGee@vuw.ac.nz
Office Hours: Monday –Friday 8:00am-4:30am

Trimester Dates

Teaching Period: Monday 11 July – Friday 14 October
Study Period: Monday 17 October – Thursday 20 October
Examination Period: Friday 21 October – Saturday 12 November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is Friday 23 September. After this date, 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

Lecture Location: McLaurin Building MCLT103
Days: Tuesday and Thursday
Time: 11:00am-11:50am

Course Content

Finance 101 is designed as an introduction to concepts of corporate and business finance. The main areas that will be considered are an understanding of relevant cash flows of a project and how to value these cash flows. The time value of money and compound interest will be covered in detail. In addition the valuation of bonds and stocks will be addressed. The course will also study the relationship between risk and reward of investments as well as the classical concept of the weighted average cost of capital.

The content and timing of the course may differ slightly from the information given in the following table.

Wk	Lect	Day	Date	Tutorial	Learning Goal	Reading	See Connect
1	1	Tues	12-Jul-11		Intro to Course	Chapter1	
	2	Thurs	14-Jul-11		Understand Fin.Stms.	Chp 2	
2	3	Tues	19-Jul-11	Chp 2	Understanding Cash Flows	Chp 2	
	4	Thurs	21-Jul-11	problems	Understanding Cash Flows	Chp 2	
		Mon	25-Jul-11		<i>Assignment One Due, Noon, Content: L 1-4</i>		
3	5	Tues	26-Jul-11	Chp 4	Time Value of Money	Chp 4	
	6	Thurs	28-Jul-11	problems	Discounted Cash Flows	Chp 5	
4	7	Tues	2-Aug-11	Chp 5	Annuities and Perpetuities	Chp 5	
	8	Thurs	4-Aug-11	problems	EAR and APR	Chp 5	
		Mon	8-Aug-11		<i>Assignment Two Due, Noon, Content: L 5-8</i>		
5	9	Tues	9-Aug-11	Chp 5	Net Present Value	Chp 8	
	10	Thurs	11-Aug-11	revision	IRR/ Payback	Chp 8	
		Mon	15-Aug-11		TEST,60 minutes,6:00pm Content: L1-8		
6	11	Tues	16-Aug-11		Capital Investment Decision	Chp 9	
	12	Thurs	18-Aug-11		Capital Investment Decision	Chp 9	
Mid-trimester break 22 August – 2 September 2011							
7	13	Tues	6-Sep-11		Interest rates/Annuities	Chp 5,6 +Bbd notes	
	14	Thurs	8-Sep-11		Loan/Bond Valuation	Chp 6 + Bbd notes	
8	15	Tues	13-Sep-11	Chp 6,8& 9	Bond Market/Yield Curve	Chp6 +Bbd notes	
	16	Thurs	15-Sep-11	problems	Stock Valuation/Dividend Growth	Chp 7	
		Mon	19-Sept-11		<i>Assignment Three Due, Noon, Content: L 9-16</i>		
9	17	Tues	20-Sep-11	Chp 6,7	Equity Markets	Chp 7	
	18	Thurs	22-Sep-11		Capital Market History	Chp 10	
		Mon	26-Sep-11		TEST,60 minutes, 6:00pm, Content: L 9-16		
10	19	Tues	27-Sep-11		Risk and Return	Chp 11	
	20	Thurs	29-Sep-11		CAPM and SML	Chp 11	
11	21	Tues	4-Oct-11	Chp10, 11,12	Weighted Average Cost of Capital	Chp 12	
	22	Thurs	6-Oct-11	problems	Weighted Average Cost of Capital	Chp 12	
12	23	Tues	11-Oct-11	Chp 15	Raising Capital	Chp 15	
	24	Thurs	13-Oct-11	Revision	Raising Capital	Chp15	
		Friday	14-Oct-2011		<i>Assignment Four Due, 5:00pm, Content: L 17-24</i>		
Final Exams Begin 21 October 2011-12 November 2011 (inclusive)							

All reading should be completed before lecture

Final grade will be the higher of weighed average of grades or final exam grade

To register on connect go to the following website and follow the directions:

http://connect.mcgraw-hill.com/class/m_keefe_semester_2_2011

Course Learning Objectives

- Use spreadsheets to analyse financial data and evaluate simple financial models
- Describe the nature of real and financial assets
- Summarise and analyse information in a finance context
- Analyse the trade-off between risk and return
- Analyse simple problems involving personal financial decision making
- Analyse simple problems involving corporate financial decision making

Course Delivery

The course material will be presented in two one-hour lectures per week for the 12 weeks of the semester. There will be eight tutorials during the semester.

Tutorial signups will be offered through <https://signups.victoria.ac.nz>

Expected Workload

A total of 150 hours of work is expected from students in this course. This consists of 32 hours of classes and tutorials, 8 hours per week outside classes during teaching weeks spent reading, studying and working problems and a further 22 hours revising during the mid-trimester break and study week.

Group Work

There is no group work.

Readings

The set textbook is:

Ross, S.A, Traylor, R, Bird, R., Westerfield, R.W., and Jordan, B.D. Essentials of Corporate Finance Second Edition 2011.

Materials and Equipment

Only silent non-programmable calculators are permitted in the Tests and the Final Examination. A calculator will also be required for assignments. The calculator should have the exponential and logarithm functions, and powers.

Assessment Requirements

Assignments	10%
Test One (one hour)	20%
Test Two (one hour)	20%
Final Examination (two hours)	50%

or, if it will benefit the student

Final Examination	100%
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Quality Assurance Note

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 audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from Friday 21 October – Saturday 12 November 2011.

Penalties

Missed or late assignments will be given a zero mark.

Mandatory Course Requirements

There are not any mandatory course requirements for this course.

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

Course assignments and suggested problems will be available on Blackboard. Blackboard will also be used to communicate additional information to the students.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at

www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

http://www.victoria.ac.nz/st_services/tpa/index.aspx