

School of Economics and Finance

**FINA 101**  
**FINANCE FOR BUSINESS**

Trimester 2 2012

**COURSE OUTLINE**

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**Names and Contact Details**

Lecturer: Mrs. Marsha Keefe – Course Coordinator  
Office: EA119  
Phone: 463-7449 (only during office hours)  
Email: [marsha.keefe@vuw.ac.nz](mailto:marsha.keefe@vuw.ac.nz)  
Office Hours: Tuesday and Friday, 11.00am-11.45am and 1.00pm-1.50pm

Administrator: Francine McGee  
Office: RH319  
Phone: 463-5818  
Email: [francine.mcgee@vuw.ac.nz](mailto:francine.mcgee@vuw.ac.nz)  
Office Hours: Monday-Friday, 8.00am-4.30pm

**Trimester Dates**

Teaching Period: Monday 16 July – Friday 19 October

Study Period: Monday 22 October – Thursday 25 October (Monday 22 October is a public holiday, Labour Day)

Examination Period: Friday 26 October – Saturday 17 November (inclusive)

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 27 July 2012.
2. The standard last date for withdrawal from this course is Friday 28 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

Tuesday and Friday, KKLT301, 12.00pm-12.50pm

### Course Content

FINA 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 values 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. For suggested problems to become more familiar with the course material, see Connect.

Wk	Lect	Day	Date	Tutorial	Learning Goal	Reading
1	1	Tues	17-Jul-12		Intro to Course	Chapter 1
	2	Fri	20-Jul-12		Time Value Money	Chp 4
2	3	Tues	24-Jul-12	Lectures	Discounted Cash Flows	Chp 5
	4	Fri	27-Jul-12	1,2,3	Annuities and Perpetuities	Chp 5
3	5	Tues	31-Jul-12	Lectures	EAR/APR	Chp 5
	6	Fri	3-Aug-12	4,5	Revision	Problems BB
4		<b>Mon</b>	<b>6-Aug-12</b>		<b>Assignment One due, 12.00pm</b>	<b>Content: L1-6</b>
	7	Tues	7-Aug-12		Net Present Value/Payback	Chp 8
	8	<b>Thur</b> Fri	<b>9-Aug-12</b> 10-Aug-12		<b>TEST, 60 minutes, 6.15pm</b> IRR/PI	<b>Content: L1-6</b> Chp 8
5	9	Tues	14-Aug-12	Lectures	Cash Flows Firm	Chp 2
	10	Fri	17-Aug-12	7,8	Cash Flows Firm	Chp 2
6	11	Tues	21-Aug-12	Lectures	Capital Investment Decision	Chp 9
	12	Fri	24-Aug-12	9,10,11,12	Capital Investment Decision	Chp 9
Mid-trimester break, 27 August – 7 September						
7		<b>Tues</b>	<b>11-Sep-12</b>		<b>Assignment Two due, 12.00pm</b>	<b>Content: L7-12</b>
	13	Tues	11-Sep-12		Bonds	Chp 6
	14	Fri	14-Sep-12		Bonds	Chp 6
8	15	Tues	18-Sep-12	Lectures	Stocks	Chp 7
	16	Fri	21-Sep-12	13,14	Historical risk/return	Chp 10

		<b>Tues</b>	<b>25-Sep-12</b>			<b>Assignment Three due, 12.00pm</b>	<b>Content: L13-16</b>
9	17	Tues	25-Sep-12	Lectures		Risk/return	Chp 11
	18	Fri	28-Sep-12	15,16		CAPM and SML	Chp 11
		<b>Mon</b>	<b>1-Oct-12</b>			<b>TEST, 60 minutes, 6.15pm</b>	<b>Content: L7-12</b>
10	19	Tues	2-Oct-12	Lectures		WACC	Chp 12
	20	Fri	5-Oct-12	17,18,19,20		WACC	Chp 12
		<b>Tues</b>	<b>9-Oct-12</b>			<b>Assignment Four due, 12.00pm</b>	<b>Content: L17-20</b>
11	21	Tues	9-Oct-12			Cash budgeting	Chp 16
	22	Fri	12-Oct-12			Cash budgeting	Chp 16
12	23	Tues	16-Oct-12	Lectures		Raising Capital	Chp 15
	24	Fri	19-Oct-12	21,22,23,24		Revision	Chp 15

Study Week 22 October – 25 October 2012  
Exam Week Friday 26 October – Saturday 17 November (inclusive)

Use this link to go to connect to work suggested problems:  
[http://connect.mcgraw-hill.com/class/m\\_keefe\\_tri\\_2\\_2012](http://connect.mcgraw-hill.com/class/m_keefe_tri_2_2012)

### 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, Trayler, 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 FCom 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 26 October – Saturday 17 November (inclusive).

## **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](http://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](http://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](http://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](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

### **Faculty of Commerce Office**

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

### **Te Putahi Atawhai**

### **Maori and Pacific Mentoring Programme**

<http://www.victoria.ac.nz/tpa/>