

School of Management

MMBA 516 CORPORATE FINANCE

Trimester Two 2012

COURSE OUTLINE

Names and Contact Details

The course lecturer and course coordinator is

Ross Mear (MS (Applied Economics), MCA (Distinction), BCA Hons (First Class),
BCA, BA, NZICA, INFINZ)

Email: ross.mear@vuw.ac.nz

Phone: 021 995597

Office Hours: by appointment

The administrator for this course is Linda Walker.

Room RH1004

Email: linda.walker@vuw.ac.nz

Phone: 04 463 5084

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 2012. 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

Lectures: Location: Rutherford House RHLT3

Day: Wednesday 19:40 – 21:30

Tutorials: Location: RWW413

Day: Thursdays 17:40 – 18:30 starting 26 July

Course Content

The course provides a thorough understanding of the fundamental concepts of Corporate Finance. Topics covered include discounted cash flow valuation, interest rates, investment decision making, bond valuation, portfolio theory, capital asset pricing theory, efficient markets hypothesis, capital structure and dividend policy, securities valuation and issuance, mergers and acquisitions.

Course Learning Objectives

On completion of the course, students should:

1. Understand some of the major theories and concepts underlying corporate finance.
2. Understand the concepts of discounting, present value, future value and discounted cash flow analysis.
3. Be able to utilise NPV analysis and other investment criteria to assess investment projects and financial problems.
4. Understand the key characteristics of bonds and the essentials of bond valuations, bond ratings and issuance.
5. Understand and apply portfolio theory and the capital asset pricing model.
6. Understand the notion of market efficiency, the efficient markets hypothesis and its implications for financial markets.
7. Understand capital structure theory, policy and practise.
8. Understand dividend payout theory, policy and practise.
9. Understand the key characteristics of equity securities and the essentials of equity valuations and issuance.
10. Understand the theory and practise of corporate acquisitions and mergers.

Course Delivery

Course delivery consists of eleven 1 hour and 50 minute lectures (note: a mid-term test will be held during the normal lecture period on Wednesday 12 September). Also there will be 50 min tutorials offered on Thursdays for 10 weeks.

Expected Workload

Workload expectations for this course are 10 hours per week for the 12 teaching weeks and 30 hrs during the mid-trimester break.

Tutorials and Tutorial Exercises

There will be ten 50 minute tutorials. Tutorial exercises and answers will be posted on blackboard. Tutorial exercises will not be marked.

Guest Lectures

It is anticipated that up to six guest lecturers may participate in delivering the course content of MMBA 516. These guest lecturers are highly qualified and experienced professionals with considerable expertise in the corporate finance industry. The schedule of guest lecturers is still subject to finalisation but will be provided to students shortly after the commencement of the course.

Group Work

There is no group work.

Readings

The *required* textbook is: Ross, Stephen A., Randolph W. Westerfield, and Jeffrey Jaffe. Corporate Finance. McGraw-Hill Irwin; New York, 9th Edition, 2010

Materials and Equipment

Only calculators that are non-programmable will be permitted in the mid-term test and final exam.

Assessment Requirements

Your final grade is based upon a midterm (40%), and a final examination (60%). The table below reports the assessment, due date (or date held), the related learning objective(s), and the percentage of the total grade.

Assessment	Due Date	Learning Objectives	Total Grade Percentage
Mid-term Test	12 Sept	1-5	40%
Examination	tbd	1-10	60%
Total			100%

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 26 October – Saturday 17 November (inclusive).

Grading Guidelines

Victoria Post Experience Grading Standards are as follows:

Excellent Category

A- (75 – 79%) to A (80 – 84%) to A+ (85% and above): The learning is demonstrated to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master's level.

Very Good Category

B+ (70 – 74%): The learning is demonstrated at a high standard. Students have reached a level that clearly exceeds “competency”.

Good Category

B (65 – 69%): The learning is clearly demonstrated without being exceptional in any way. Students can be thought of as fully competent.

Satisfactory Category

B- (60 – 64%): The learning is demonstrated without being exceptional in any way. Students can be thought of as competent.

Marginal Category

C (50 – 54%) to C+ (55 – 59%): The learning is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student.

Unsatisfactory / Failure Category

E (0 – 39%) to D (40 – 49%): The learning is absent or performed to a very low level, or the performance is seriously flawed.

Mandatory Course Requirements

- comprise: i) attend the Mid-term test
- ii) obtain **at least 40%** in the final examination

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 documents and other information will be available on the course website at <http://blackboard.vuw.ac.nz>. Announcements will also be posted there.

Use of Turnitin (if applicable)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

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 Office
<http://www.victoria.ac.nz/vbs/studenthelp>

**Te Putahi Atawhai
Maori and Pacific Mentoring Programme**
<http://www.victoria.ac.nz/tpa/>