

School of Accounting and Commercial Law

MMPA 504 FINANCE

Trimester 3, 2012

COURSE OUTLINE

Names and Contact Details	Office	Telephone
<i>Course Coordinator & Lecturer</i> Dr Stephen Keef Stephen.Keef@vuw.ac.nz Office Hours: TBA	RH 304	463 5233 x7515
<i>Lecturer</i> Tina Wendel Tina.Wendel@vuw.ac.nz Office Hours: Thursday: 4.40 to 5.30pm	RH 304	463 5233 x7515
<i>Course Administrator</i> Pinky Shah Pinky.Shah@vuw.ac.nz Office hours: Monday-Friday, 8.30am-5pm	RH 728	463 6921

Trimester Dates

Monday 19 November 2012 – Thursday 28 February 2013.

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before 30 November.
2. The standard last date for withdrawal from this course is 25 January.

After the last date stated in #2, 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

Thursdays: 5.40-8.30pm

Venue: GBLT4 (Government Buildings Lecture Theatre 4), Pipitea Campus

Course Delivery

There will be one class per week for the 12 weeks of the semester. On average, the class will be divided into the following sections: (i) a 50 minutes lecture, (ii) 50 minutes of class discussion and (iii) a 50 minutes tutorial session.

Group Work

Collaboration on individual assignments is not allowed beyond general discussion as to the nature of the assignment question. Please do not work together to produce any written work and do not loan out your completed assignments.

Expected Workload

A total of 150 hours of work is expected from students in this course. This consists of 36 hours of classes, 7 hours per week outside classes during teaching weeks spent reading and studying and a further 30 hours revising during the mid-trimester break.

Course Learning Objectives

Students who are successful in this course will be able to:

- Analyse the objectives of an entity and discuss how it is financed and explain how financial decisions including dividend decisions are made, taking into account risk and return.
- Explain the relevance of capital markets to an organisation, understand the capital asset pricing model and how the weighted average cost of capital is calculated and used in project appraisal.
- Analyse the investment appraisal process and apply the main appraisal techniques to projects and explain their advantages and disadvantages.
- Evaluate the key types of financial instruments and their functions.
- Explain the principles of valuation with respect to financial instruments and securities and describe methods of whole firm valuation.

Course Content

<i>Week</i>	<i>Date</i>	<i>Content</i>	<i>Chapter readings</i>
1	22/11	Introduction & NPV	4, 6.1, 6.3, 6.5
2	29/11	NPV	8.1, 8.2, 8.4, 9.1
3	6/12	Alternative Methods	5
4	13/12	CAPM	10, 11.6, 11.9, 13
5	20/12	Special Topics	TBA
Mid-Trimester Break (Saturday 22 December 2012 – Sunday 6 January 2013)			
6	10/1	Mid-Trimester Test EMH	14
7 & 8	17/1 & 24/1	Capital Structure and Cost of Capital – no tax and tax	11.1, 11.2, 15, 16.1 to 16.5 recap 2.1, 3.2, 8.1, 13.3
9	31/1	Capital Structure and Cost of Capital – tutorials	
10	7/2	Capital Structure – other aspects and tutorials	17, 30.1, 30.4
11	14/2	Dividend Policy	19
12	21/2	Review of the Course Final Test	

Readings

The set textbook is:

Ross, S.A., Westerfield, R.W. and Jaffe, J. Corporate Finance, 9th edition, 2010, McGraw-Hill Irwin.

Additional material will be made available on Blackboard.

Materials and Equipment

Only silent non-programmable calculators are permitted in the tests.

Assessment

Option One		Option Two (if it will benefit the student)	
Mid-Trimester Test (50 minutes, Closed Book)	30%	Final Test (2 hours, Closed book)	100%
Final Test (2 hours, Closed book)	70%		

The Mid-Trimester Test will be held on Thursday 10 January 2013 at 5.50pm to 6.40pm in GBLT4. The Mid-Trimester Test will be based on the material covered in Lectures #1 to #4.

The Final Test will be held on Thursday 21 February 2013 at 5.45pm to 7.45pm in GBLT4.

Mandatory Course Requirements

None.

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

Additional information concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

Link to general information

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

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