

School of Economics and Finance

FINA 101

FINANCE FOR BUSINESS

Trimester 2, 2013

COURSE OUTLINE

(Delete all instructions in italics, but retain all text in normal type, except where instructed to delete if not relevant.)

Names and Contact Details

Course Coordinator/Lecturer: Brandon Chen
Room: RH316
Phone: 463 – 5131
Email: brandon.chen@vuw.ac.nz
Office hours: 9.00am-10.00pm in EA115 Or by appointment in RH316

Administrator: Francine McGee
Room: RH319
Phone: 463 – 5818
Email: francine.mcgee@vuw.ac.nz
Office hours: Monday-Friday, 8.00am – 4.30pm

Trimester Dates

Teaching Period: Monday 15 July – Friday 18 October
Study Period: Monday 21st October – Thursday 24 October
Examination Period: Friday 25 October – Saturday 16 November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 26 July 2013.
2. The standard last date for withdrawal from this course is Friday 27 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

Wednesday and Friday 8.00am – 8.50am HULT323

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.

Week beginning	Week	Subject	Textbook chapter	Tutorial
15 July	1	Introduction and Time Value of Money	1, 4	--
22 July	2	Financial Mathematics and Bond	5, 6	--
29 July	3	Bond and Equity Valuation	6, 7	Yes
5 August	4	Capital Budgeting – Introduction	8	Yes
12 August	5	Capital Budgeting – Application	9	Yes
19 August	6	Risk and Return and CAPM	10, 11	Yes
<i>Mid-trimester break (26 August – 8 September)</i>				
9 September	7	CAPM	11	--
<i>Wednesday 11 September Test, 6.30pm – 7.15pm</i>				
16 September	8	Cost of Capital	12	--
23 September	9	Raising Capital	15	Yes
30 September	10	Capital Structure	13	Yes
7 October	11	Dividend Policy	14	Yes
14 October	12	Financial Planning and Course Review	16	Yes
Study Period: Monday 21 st October – Thursday 24 October Examination Period: Friday 25 October – Saturday 16 November (inclusive)				

Group Work

No group work for this course.

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.

Prescription

An introduction to the principles of finance and their application to issues facing businesses and individual investors. Extensive use will be made of spreadsheets.

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 trimester. There will be eight tutorials during the trimester.

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

Readings

The set textbook is:

Ross, S.A, Traylor, R, Bird., 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

Your mark will be determined in the following way:

Scheme A:

In-term Test	25%	Wednesday 11 September 2013
Final Exam	75%	The date will be scheduled during the University exam period

Scheme B:

In-term Test	0%	Wednesday 11 September 2013
Final Exam	100%	The date will be scheduled during the University exam period

Each student's mark will be calculated based upon the above two schemes and the better one of the two will be chosen as his/her final mark. In other words, his/her final mark = Max (Scheme A, Scheme B).

The 45-minutes in-term test will cover the material presented in the first 6 weeks. The two-hour final examination will cover the entire course.

Penalties

Not applicable.

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 following period:

Friday 25 October – Saturday 16 November (inclusive)

Mandatory Course Requirements

There are no mandatory course requirements for FINA 101.

If you cannot complete an assignment or sit a test or examination, in the first instance, contact the Course Administrator to discuss the options. In the case that you wish to consider applying for an aegrotat, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat.

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.

Student feedback

Student feedback on University courses may be found at
www.cad.vuw.ac.nz/feedback/feedback_display.php

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.
