

School of Economics and Finance

FINA 203 Applied Finance

Trimester 2, 2013

COURSE OUTLINE

Names and Contact Details

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Trimester Dates

From Monday 15 July to Wednesday 16 October.

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

Building: Government Building

Lecture Location: GBLT3

Day: Monday

Time: 2:40pm – 3:30pm

Building: Railway West Wing

Lab Location: RWW102

Day: Wednesday

Lab 1: 12:00pm – 1:20pm or

Lab 2: 1:30pm – 2:50pm

Course Delivery

Course delivery consists of twelve 50-minute lectures and ten 80-minute modeling exercises using the computer lab.

Group Work

There is no group work.

Expected Workload

The expected workload for FINA 203 is 150 hours, comprising 12-13 hours per week for the average student (in this class).

Prescription

This course applies finance theories to problems involving corporate and personal financial decision making, and the principles of valuation to common situations. Extensive use will be made of spreadsheets.

Prerequisites: FINA 101 or FINA 201 or FINA 211.

Course Learning Objectives

By the end of this course students should be able to:

1. Apply finance theory to analyse problems involving personal financial decision making;
2. Apply finance theory to analyse problems involving corporate financial decision making;
3. Evaluate the limits of financial analysis on decision making;
4. Summarise information in a financial context for non-financial decision makers; and
5. Present structured analyses of proposed financial strategies.

Course Content

In Applied Finance, you will learn and practice skills that will help you make financial decisions (both personal and business). Each week, you will learn a new financial method/theory and then apply that method/theory using Excel. You will approach financial decision making from a real world perspective, which involves answering a series of questions:

- What is the financial question?
- What is the underlying financial model we need to apply?
- What data do we need to answer the question?
- What empirical methods do we need to analyse the data?
- How do we document our program so that another analyst can reproduce our results in the future?
- How do we summarise our findings?

These questions represent the process of applied financial decision making.

Readings

The *required* textbook is: Ross, Stephen A., Randolph W. Westerfield, and Jeffrey Jaffe. Corporate Finance. McGraw-Hill Irwin; New York, 10th Edition, 2013.

A *recommended* textbook is: Sengupta, Chandan. Financial Analysis and Modeling. Wiley Finance; New Jersey, 2nd Edition, 2010.

Materials and Equipment

The midterm test will held in the computer lab so that Excel may be used.

Assessment

Your final grade is based upon ten assignments (30%), a midterm (35%) and a final project (35%). The table below reports the assessment, due date (or date held), the related learning objective(s) and the percentage of the total grade.

Assessment	Lab	Due Date	Day of Week	Learning Objectives	Total Grade Percentage
Assignment & Lab	Lab 1	17-Jul-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 2	31-Jul-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 3	7-Aug-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 4	14-Aug-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 5	21-Aug-13	Wed.	1, 2, 3, 5	3.0%
Midterm in Lab		11-Sep-13	Wed.	1, 2, 3, 5	35.0%
Assignment & Lab	Lab 6	18-Sep-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 7	25-Sep-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 8	2-Oct-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 9	9-Oct-13	Wed.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 10	16-Oct-13	Wed.	1, 2, 3, 5	3.0%
Project Due	no lab	23-Oct-13	Wed.	1-5	35.0%
Total					100%

The class operates on a Monday and Wednesday cycle. On Monday you will learn a financial method and on Wednesday apply that method in the lab using Excel. Each week (other than the week of the midterm & final week of the class) you have two deliverables:

1. To assist you in learning the underlying financial theory, several exercises from RWJ are due at the start of the lab on Wednesday.
2. During the lab, you will apply the method (learned on Monday) using Excel. Your spreadsheet and summary (if required) is due by midnight (each Wednesday) via an upload on Blackboard.

Penalties

Assignments handed in late will not be marked. If a satisfactory medical certificate is provided, the weight from the assignment will be shifted onto the other pieces of assessment; otherwise, the assignment score will be recorded as zero.

Use of Turnitin

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 submitted to Turnitin. A copy of submitted materials will be retained 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.

Mandatory Course Requirements

None.

If you cannot complete an assignment or sit a test or examination, 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 documents and other information will be available on the course website at <http://blackboard.vuw.ac.nz>. Announcements will also be posted there.

Student feedback

The course was created and taught for the first time in 2011. Student feedback was quite diverse. At one extreme, students without a finance background found that both learning and applying finance was difficult. At the other extreme, working professionals found the material extremely useful. Course prerequisites have been changed to require an introductory finance class. I also plan to modify Monday lectures to focus more on the skills required in the lab. 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.
