

School of Economics and Finance

## **FINA 203 Applied Finance**

Trimester 2, 2014

### **COURSE OUTLINE**

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#### **Names and Contact Details**

Michael Keefe (course coordinator)

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TBA (administrator)

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#### **Trimester Dates**

From Monday 14<sup>th</sup> July to Thursday 16<sup>th</sup> October

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 25<sup>th</sup> July 2014.
2. The standard last date for withdrawal from this course is Friday 26<sup>th</sup> 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**

Rutherford House

Lecture Location: RHLT3

Day: Tuesday

Time: 10:30am – 11:20pm

Building: Railway West Wing

Lab Location: RWW102

Day: Thursday

Lab 1: 8:30am – 9:50am or

Lab 2: 10:00am – 11:20am

**For Lab signup:** Go to S-cubed (available from Friday 27 June) at <http://signups.victoria.ac.nz>

#### **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.

### **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, 10<sup>th</sup> Edition, 2013.

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

### **Materials and Equipment**

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

## Assessment

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

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-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 2	24-Jul-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 3	31-Jul-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 5	7-Aug-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lecture	14-Aug-14	Thurs.	1, 2, 3, 5	3.0%
<b>Midterm in Lab</b>		21-Aug-14	Thurs.	1, 2, 3, 5	35.0%
Assignment & Lab	Lab 6	11-Sep-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 7	18-Sep-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 8	25-Sep-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 9	2-Oct-14	Thurs.	1, 2, 3, 5	3.0%
Assignment & Lab	Lab 10	9-Oct-14	Thurs.	1, 2, 3, 5	3.0%
<b>Project Due</b>	no lab	16-Oct-14	Thurs.	1-5	35.0%
<b>Total</b>					100%

## **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](http://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**

Overall, the feedback from last year was quite positive; however, one issue raised was that the time required to complete the labs was not consistent. As a result, I will attempt to even out the workload a bit across the labs, but please be aware that the time required to complete lab assignments will tend to increase late in the semester as the material becomes more challenging. This is especially true if you already know Excel at the start of the course. Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://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.

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