

School of Economics and Finance

## **FINA 201 INTRODUCTION TO CORPORATE FINANCE**

Trimester 1, 2015

### **COURSE OUTLINE**

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

Michael Keefe (course coordinator)  
Room: RH329  
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Debbie Turner (administrator)  
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Phone: (04) 463 6386  
Office Hours: M-F 9am-midday and 1-4pm

#### **Trimester Dates**

Teaching Period: Monday 2nd March – Friday 5<sup>th</sup> June  
Study Period: Monday 8<sup>th</sup> June – Thursday 11<sup>th</sup> June  
Examination Period: Friday 12<sup>th</sup> June – Wednesday 1st July (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 13<sup>th</sup> March 2015.
2. The standard last date for withdrawal from this course is Friday 15<sup>th</sup> May. 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 or [online](#).

## **Class Times and Room Numbers**

FINA 201 Class Times

Day	CRN	Location	Time	Type
Monday	18176	RH LT1	1:40 pm - 2:30 pm	Lecture
Monday	18601	RH LT1	2:40 pm - 3:30 pm	Lecture
Wednesday	18176	RH LT1	1:40 pm - 2:30 pm	Lecture
Wednesday	18601	RH LT1	2:40 pm - 3:30 pm	Lecture

## **Course Delivery**

The delivery of the course includes eight tutorials. Students sign up for tutorials using the S-cubed system. All tutorials are held on either Thursday or Friday.

## **Expected Workload**

The anticipated workload is about 10 hours per week, comprising two hours for lectures, one hour for a tutorial, three hours to prepare the tutorial assignment and four hours for reading.

## **Prescription**

An introduction to the fundamental concepts in corporate finance. Topics include the net present value method, alternative investment rules, capital budgeting, and the theories of capital structure.

## **Course Learning Objectives**

Students who pass this course should be able to:

1. Describe the theoretical underpinnings and use of the net present value method to value bonds, shares and investments, in terms of (i) the time value of money (compounding & discounting), (ii) the use of the market determined risk adjusted discount rate and (iii) the determination of the relevant cash flows;
2. Explain the weaknesses of the alternatives to the NPV method;
3. Analyse capital structure theorems and their influence on value and risk; and
4. Apply the above skills to determine the value of a proposed investment.

## **Course Content**

The course provides an understanding of the fundamental concepts of Corporate Finance. Topics covered include the discounted cash flow valuation, interest rates, investment decision making, the risk and return underpinnings of the cost of capital, capital structure choice and dividends.

## **Readings**

The prescribed text is S. Ross, R. Westerfield and J. Jaffe, *Corporate Finance*, 10<sup>th</sup> edition, McGraw-Hill Irwin, 2013 (RWJ).

## **Materials and Equipment**

Non-programmable calculators or ones with the memory cleared are allowed on tests and the exam.

## **Assessment**

The Assessment Handbook will apply to all VUW courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

Assessment	Date	FINA 201 Learning Objectives	Total Grade Percentage	Time Allowed in Minutes
Test 1	11/Mar/15	1	11%	50
Assignment 1	3/Apr/15	1, 2, & 4	3%	
Test 2	22/Apr/15	1, 2, & 4	15%	50
Assignment 2	22/May/15	1 & 4	3%	
Test 3	25/May/15	1 & 4	20%	50
Assignment 3	5/Jun/15	3	3%	
Final Exam	tbd	1-4	45%	120
Total			100%	

Students should drop assignments into assignment box 40. Assignments 1 & 2 will be collected at 4:30PM on the due dates noted above. Assignment 3 will be collected at 9AM on 8 June.

## **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. For the medical certificate to be deemed satisfactory, the medical professional must have examined the student prior to the assessment and when the student exhibited symptoms.

## **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 12<sup>th</sup> June – Wednesday 1st July (inclusive)

## **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**

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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