

School of Economics and Finance

## **FINA 101 FINANCE FOR BUSINESS**

Trimester 2, 2015

### **COURSE OUTLINE**

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

Course Coordinator:	Brandon Chen <a href="mailto:brandon.chen@vuw.ac.nz">brandon.chen@vuw.ac.nz</a> Office hours: By appointment in RH316	RH316 463 5131
Course Administrator:	Pinky Shah <a href="mailto:pinky.shah@vuw.ac.nz">pinky.shah@vuw.ac.nz</a>	RH319 463 5818

#### **Trimester Dates**

Teaching Period: Monday 13 July – Friday 16 October

Study Period: Monday 19 October – Thursday 22 October

Examination Period: Friday 23 October – Saturday 14 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 24 July 2015.
2. The standard last date for withdrawal from this course is Friday 25 September 2015. After this date, students 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**

Tuesdays and Fridays                      09.00-09.50                      COLT122

#### **Course Delivery**

The course material will be presented in two one-hour lectures per week for the 12 weeks of trimester. There will be eight tutorials during the trimester.

#### **Group Work**

There is 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 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	Teaching Week	Subject	Textbook chapter	Tutorial
13 July	1	Introduction and Time Value of Money	1, 4	--
20 July	2	Financial Mathematics and Bond	5, 6	--
27 July	3	Bond and Equity Valuation	6, 7	Yes
3 August	4	Capital Budgeting – Introduction	8	Yes
10 August	5	Capital Budgeting – Application	9	Yes
17 August	6	Risk and Return and CAPM	10, 11	Yes
<b><i>Test – Tuesday 18 August, 6.30pm-7.15pm</i></b>				
<b><i>Mid-trimester break (24 August – 6 September)</i></b>				
7 September	7	CAPM	11	--
14 September	8	Cost of Capital	12	--
21 September	9	Raising Capital	15	Yes
28 September	10	Capital Structure	13	Yes
5 October	11	Dividend Policy	14	Yes
12 October	12	Financial Planning and Course Review	16	Yes

## **Readings**

The set textbook is:

Ross, S.A, Trayler, R, Bird., Westerfield, R.W., and Jordan, B.D. Essentials of Corporate Finance Second Edition 2011.

## **Tutorials**

Tutorials are groups of students and a tutor, meeting for fifty minutes, for eight weeks of the course. Tutorials will be held in teaching weeks 3, 4, 5, 6, 9, 10, 11, 12 (starting week 3) as per the schedule on page 2.

You need to sign up for a tutorial group online: <https://student-sa.victoria.ac.nz/>. Tutorial signup will be available from 11.30am on Thursday 9 July 2015. Sign up as early as possible to get your first choice day/time.

You must attend the tutorial group that you signed up to. If you are no longer able to attend your allocated tutorial, contact the course administrator to assist you to find a suitable tutorial time.

## **Assessment**

The Assessment Handbook will apply to all VUW courses: see

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

Your mark will be determined in the following way:

In-term test    25%    Tuesday 18 August 2015 at 6.30pm

Final exam     75%     The date will be scheduled during the University exam period

Each student's final course mark will be calculated based on the above scheme.

The 45-minute in-term test will cover the material presented in the first 5 weeks. The two-hour (closed book) final examination will cover the entire course.

## **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 23 October – Saturday 14 November (inclusive)

## **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50 or better, students must sit the in-term test and final examination.

Any student who is concerned that they have been (or might be) unable to meet any of the MCRs because of exceptional personal circumstances, should contact the course coordinator as soon as possible.

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**

Additional information will regularly be placed on the course Blackboard site. You will also receive emails sent to the email address recorded on Student Records. Please check at the start of the course that this is the address you want to use.

### **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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