



BUSINESS SCHOOL
Te Kura Pakihi

DEPARTMENT OF ACCOUNTANCY AND FINANCE

ACCT233 Fundamentals of Accounting for Financial Decisions

COURSE OUTLINE

Semester One 2024

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Paper Description and Aims

This paper provides students with an understanding of the nature of the firm's financial decisions and the role of accounting inputs in these decisions. It is also concerned with preparing and using accounting information for internal and external financial decision-making. The paper will focus on developing financial knowledge and fundamental skills, including the extensive use of Excel spreadsheet skills for building and applying financial decision models, concerning a financial manager's key responsibilities.

Prerequisites: BSNS 112 (or BSNS102), BSNS114 (or BSNS 108), BSNS 115 (or BSNS107), and ACCT102

Restrictions: ACCT213, FINC201, and ACFI20

Learning Outcomes

Upon successful completion of this paper, you should be able to use the financial tools and techniques, and other skills necessary to undertake important financial management decisions to help maximise a firm's value.

Students who successfully complete this paper will be able to:

1. Evaluate financial decisions based on the time value of money
2. Compute the expected rate of return and risk for investment and discuss the risk and return trade-off
3. Evaluate long-term investment management by considering the concepts behind the cost of capital, and undertake capital budgeting to determine optimal investment opportunities
4. Analyse and interpret financial statements using financial ratios
5. Prepare and evaluate financial planning and forecasting by constructing spreadsheets about cash budget and forecast of financial information
6. Implement optimal working capital management structures
7. Evaluate a firm's capital structure and payout policy
8. Develop spreadsheets to convey financial information

Teaching Staff

Paper Coordinator and Lecturer

Name: Dr Zihan Liu
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Office Hours: TBA

Students who wish to change streams can do so in the Accountancy and Finance department between 10 - 11am and 2 - 3pm each day for the first two weeks of the semester or email Accountancy Finance accountancyfinance@otago.ac.nz to change their tutorial streams. Students must provide their student ID number, paper code, and tutorial they would like to change into.

Course Delivery

Lecture Day/Time: Monday 1pm – 3pm & Thursday 11am – 12pm

Lecture Room: Refer to eVision

Tutorials and Labs Day/Time/Venue: Refer to eVision

Students must attend **three lectures, one tutorial, and one computer lab** every week.

Lectures present the key conceptual material through discussion and interaction between teaching staff and students. Lectures are supported by readings. To your benefit, you read the essential readings **BEFORE** each lecture, take notes during the lecture, and review your notes and readings after the lecture. This will help you significantly improve your understanding and reinforce your learning of the subject matter.

Tutorials are interactive, collaborative sessions in which students attempt to cement concepts presented at lectures with their peers in a supportive environment.

- Tutorials are conducted each week commencing in the **second** week of the semester. You will be allocated to a tutorial, and this will be available in eVision.
- Tutorials offer you an opportunity to work in groups on a series of tasks designed to apply the concepts that you have been exposed to in class and from your readings. The key feature of tutorials, as opposed to lectures and individual study, is the participation of all members of the tutorial group. **Please prepare for tutorials before going to them.**

Labs are designed to advance your computer skills.

- TEN computer labs start from the second week of the semester and finish in the penultimate week of the semester (NOTE: **NO** computer labs on 25 April due to the ANZAC public holiday). Your computer lab stream will be automatically assigned within eVision.
- Computer lab sessions offer you an opportunity to gain hands-on experience using financial modelling built into Microsoft Excel. In some lab sessions, you are required to watch demonstrations available from GoSkills or Youtube, followed by practices. Please remember to **bring your headset**.
- GoSkills is free for all University of Otago staff and students. You can register your GoSkills account via the link: <http://www.otago.ac.nz/its/services/training/online/index.html>.

Course Calendar The course calendar details scheduling information. Note that this calendar may change as the course proceeds. Any changes will be announced at lectures and be detailed on Blackboard.

Students are expected to prepare for and attend all classes to gain full benefit from the course.

These activities should be prepared for by reviewing information detailed on Blackboard and completing any assigned readings. Students unable to attend a lecture are expected to catch up on missed material.

Unless stated otherwise, all aspects of the course are examinable.

Expectations and Workload

The following information is taken from the University's website regarding the study workload requirements (see <https://www.otago.ac.nz/study/planning/workload.html>):

As a guide, based on an 18-point paper, this usually works out to a minimum of 14 hours work per paper per week. Work is made up of formal contact time (lectures, tutorials, laboratories, etc) and independent study (studying, revision, assignments, reading, etc). (Workload, para.2)

ACCT233 is an 18-point paper. Thus, you are expected to undertake another 9-10 hours per week of independent study in addition to the time spent in lectures, tutorials, and computer labs.

Course Learning Resources

Required Textbook

Principal of Managerial Finance, Chad J. Zutter and Scott Smart, Global Edition (16e), Pearson, 2021.

University approved calculator

CASIO FX82, CASIO FX100, CASIO FX95, CASIO FX570, Casio FX991 or SHARP EL531

Blackboard

Blackboard <https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class so it is important that you check your student email and Blackboard regularly.

Class Representatives

Class representatives are an important means of communication between students and staff. Contact details for your student class representatives can be found on the Blackboard page for this paper.

Student Webmail

IMPORTANT - DO THIS NOW:

We will use your student email account to email you information relevant to your study at Otago. To forward your University email address to an email address that you use regularly:

1. Log into your StudentMail account (<http://www.otago.ac.nz/smlanding/>) using your student username and password.
2. Click the **Cog** button (top right corner).
3. Click on **Mail** under **Your App Settings**.
4. Under **Accounts** on left hand side, select **Forwarding**.
5. Under the Forwarding heading, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
6. Click the **Save** button.

Assessment

All material presented is examinable (except where stated otherwise) by assignments and the final examination. All-important assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard. ***Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.***

Assessment	Due date	% of final grade
1. Computer Lab Assignments	10am Tuesday of the week following the lab	10%
2. In-Semester Tests	Week 6 & Week 10	40%
3. Final Exam	TBA (Final Exam Period)	50%
Total		100%

Course Requirements

To pass this paper, you must

1. achieve at least 45% in the final exam, and
2. achieve an aggregate mark for the subject of 50% or more.

Assessment Format

1. Computer Lab Assignments (starting from Week 3)

- Students are required to complete lab assignments using the provided templates and submit assignments via Blackboard before 10am on Tuesday of the week following the lab. (**NOTE: Late submission will not be accepted.**)
- Students are strongly encouraged to submit lab assignments weekly to maximise the chance of performing well in the lab assignments task.
- Marks are given on merits based on your performance of **submitted lab assignments**.
- Only your best **FIVE** attempts will be counted toward your final grade. A maximum score of two is allocated per attempt.

2. In-Semester Tests

- Two in-semester tests are scheduled. The first test is in Week 6, and the second is in Week 10.
- Each test is 80 minutes long and is worth 20% of the grade.
- A formula sheet will be provided (it may not be exhaustive). You are required to bring along a university-approved calculator to the tests.

3. Final Exam

- The final exam is a 180-minute exam held in the final examination period.
- **All topics** taught in this paper will be examined in the final exam. (NOTE: Topics covered in the in-semester tests will be re-examined in the final exam.)
- A formula sheet will be provided (it may not be exhaustive). You are required to bring along a university-approved calculator to the exam.

Quality Assurance

At the Otago Business School, we monitor the quality of student learning and your learning experience. Your assessed work may be used for assurance of learning processes, such as evaluating the level of achievement of learning outcomes, with the aim of improving the quality of our programmes. All material used for quality assurance purposes will be treated as confidential and the outcome will not affect your grades.

Learning Outcomes

Learning Outcome	Computer Labs	In-Semester Tests	Final Exam	Total
Evaluate financial decisions based on time value of money		√	√	
Compute the expected rate of return and risk for an investment and discuss the risk and return trade-off		√	√	
Evaluate long-term investment management by considering the concepts behind the cost of capital, and undertake capital budgeting to determine optimal investment opportunities		√	√	
Develop spreadsheets to convey financial information	√		√	
Analyse and interpret financial statements using financial ratios		√	√	
Prepare and evaluate financial planning and forecasting by constructing spreadsheets in relation to cash budget and forecast of financial information		√	√	
Implement optimal working capital management structures		√	√	
Evaluate the firm capital structure and payout policy		√	√	
Total	10%	40%	50%	100%

Grading System

The grading scheme used at Otago is:

A+	90-100	C+	60-64
A	85-89	C	55-59
A-	80-84	C-	50-54
B+	75-79	D	40-49
B	70-74	E	<40
B-	65-69		

Academic Integrity

Students should ensure that all submitted work is their own. Plagiarism is a form of academic misconduct (cheating). It is defined as copying or paraphrasing another's work and presenting it as one's own. Any student found responsible for academic misconduct in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about University policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, the Student Learning Centre (HEDC), or the Library. The guideline for students is available at this link: <http://www.otago.ac.nz/study/academicintegrity/index.html>

For further information:

Academic Integrity Policy

<http://www.otago.ac.nz/administration/policies/otago116838.html>

Student Academic Misconduct Procedures

<http://www.otago.ac.nz/administration/policies/otago116850.html>

Turnitin on Blackboard

Turnitin is a text-matching software tool which reports matches between sections of student work submitted to it, and other material to which Turnitin has access (i.e. material available via the internet, and content of other student assignments which have previously been submitted to Turnitin). Turnitin is also often referred to as a plagiarism detection tool. All assignments submitted electronically through Blackboard are uploaded via Turnitin, and the report is available to the marker. You are able to check your draft assignment via Turnitin before you submit your final assignment. Full instructions and guidance for the use of Turnitin can be found at: <https://help.otago.ac.nz/blackboard/assessing-your-students/turnitin/turnitin-for-students/>

Course Calendar

Week	Week Commencing	Topic Reading from the textbook	Tutorial	Lab
1	Monday 26 February	Time Value of Money (TVM) and Valuation of Bonds and Stock (VBS) (Chapters 5, 6.4 and 7.3)	NO Tutorial This Week	NO Lab This Week
2	Monday 4 March	Ratio Analysis (Chapter 3)	TVM and VBS	Data Entry, Formatting, and Printing
3	Monday 11 March	Financial Planning and Forecasting (Chapter 4)	Ratio Analysis	Cell Referencing and Math Functions
4	Monday 18 March	Working Capital Management I (Chapter 15)	Financial Planning and Forecasting	Logical Functions and Statistical Functions
5	Monday 25 March	Working Capital Management II (Chapters 15 and 16)	Working Capital Management I	Cash Budgeting
Mid-Semester Break 1 April – 5 April				
6	Monday 8 April	Working Capital Management III (Chapter 16)	Working Capital Management II	Account Receivables Management
7	Monday 15 April	Capital Budgeting I (Chapter 10)	Working Capital Management III	NO Lab This Week
8	Monday 22 April	Capital Budgeting II (Chapter 11)	Capital Budgeting I	Financial Function I
9	Monday 29 April	Cost of Capital (Chapter 9)	Capital Budgeting II	Financial Function II
10	Monday 6 May	Leasing I (Chapter 17.2)	Cost of Capital	Capital Budgeting
11	Monday 13 May	Leasing II and Leverage Analysis (Chapters 17.2 and 13)	Leasing I	Estimate Cost of Capital
12	Monday 20 May	Capital Structure Concepts (Chapter 13)	Leasing II and Leverage Analysis	Leverage Analysis
13	Monday 27 May	Buffer Class	Capital Structure Concepts	NO Lab This Week

Lectures end Friday 31 May 2024

**University Examination Period Semester One
Begins Wednesday 5 June and ends Wednesday 19 June 2024**

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.