



BUSINESS SCHOOL
Te Kura Pakihi

COURSE OUTLINE

ACCT 233 **Fundamentals of Accounting for** **Financial Decisions**

Semester 1, 2020

This course outline contains information specific to this paper. For more general information common to your papers, please refer to the COMMERCE_UG_2020: Commerce Undergraduate Students site on Blackboard.

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 to these decisions. It is also concerned with the preparation and uses of 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 the building and application of financial decision models, concerning all the key responsibilities of a financial manager.

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

Restrictions: ACCT213, FINC201, and ACFI201

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 in order to help maximise a firm's value.

Students who successfully complete this paper will be able to:

1. Evaluate financial decisions based on time value of money
2. Compute the expected rate of return and risk for an 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 in relation to cash budget and forecast of financial information
6. Implement optimal working capital management structures
7. Evaluate firm capital structure and payout policy
8. Develop spreadsheets to convey financial information

Teaching Staff

Paper Coordinator and Lecturer

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Lecturer

Name: Dr. Tahir Suleman (TS)

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Tutorial and computer lab team are Yongxian Tan, Tahir Suleman, Jenny Huang (jiexiang.huang@otago.ac.nz), Caitlin McLintock (mclca760@student.otago.ac.nz), Chuanyi Wang (fallely@hotmail.com). You should contact the Course Coordinator with any administrative enquiries about the paper. Course contents can be discussed in class (computer labs and tutorials), during office hours with the relevant lecturer.

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.

Course Delivery

Lecture Day/Time/Room: Monday 13:00-13:50 CAST1, Wednesday 14:00-14:50 QUAD2, Thursday 11:00-12:00 AUDIT.

Your tutorial streams are

Day	Time	Room
Thursday	13:00-13:50	BURN6
Thursday	15:00-15:50	SDAVC
Thursday	16:00-16:50	RGS2
Friday	09:00-09:50	CASTA
Friday	10:00-10:50	CASTA
Friday	11:00-11:50	SDAVF
Friday	12:00-12:50	SDAVD
Friday	13:00-13:50	SDAVD

Note: Use the campus map link to find the location of your lecture, computer lab and tutorial:
<http://www.otago.ac.nz/fallsconference/images/CampusMap.pdf>

Your computer lab streams are

Day	Time	Lab
Tuesday	11:00-11:50	OBS118
Tuesday	12:00-12:50	ACAL
Tuesday	13:00-13:50	ACAL
Tuesday	14:00-14:50	OBS118
Tuesday	15:00-15:50	OBS118
Tuesday	16:00-16:50	OBS118

Every week students must attend:

Three lectures, one computer lab and one tutorial. Students are expected to prepare for and attend all classes to gain full benefit from the course.

Lectures present the key conceptual material. Lectures are supported by textbook readings. Refer to Course Calendar for each week's topics and readings at the end of this course outline. It is to your benefit that you read the chapter(s) assigned BEFORE each lecture. You should prepare short notes on them and review again afterwards. This will enhance your understanding of the subject matter to be covered.

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

Tutorials begin in the SECOND week of semester. You will be allocated to a tutorial and this will be available in your eVision.

Tutorials offer you the opportunity to apply the concepts that you have been exposed to in class and from your reading. The key feature of tutorials, as opposed to lectures and individual study, is participation of all members of the tutorial group. **Please prepare for tutorials before going to them.** Your tutor will be able to better enhance your understanding of problems related to the topics being taught if you have attempted to do the homework before your assigned tutorial.

Computer Labs are designed to advance your computer skills. There are altogether ten computer labs, starting from Week Two. For all computer labs, there are lab exercises and assignments that uses financial modelling built into MICROSOFT EXCEL. Some of the labs will have you follow video(s) from GoSkills or YouTube and then apply them to a template associated with the course. Because you need to watch videos, please bring your headsets to the lab sessions. Your computer lab stream will be automatically assigned within eVision. You can register for GoSkills for free through this link: <http://www.otago.ac.nz/its/services/training/online/index.html>

Course Learning Resources

The required textbook is **Principal of Managerial Finance, Chad J. Zutter and Scott Smart, Global Edition (15e), Pearson, 2018.**

You can buy this textbook as an eBook version by following the link below. It is a lot cheaper than the hard cover version.

<http://www.pearsoned.co.nz/9781292261577>

Blackboard

[\(https://blackboard.otago.ac.nz/\)](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.

Further information about student support, learning support and information, academic integrity and other University resources for students is available on the COMMERCE_UG_2018: Commerce Undergraduate Students site on Blackboard.

Student Webmail

We will use your student email account to email you information relevant to your programme. 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). 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.*

There are four assessments for this course.

1. Weekly Tutorials: 10% of overall grade

There are 12 weekly tutorials. There will be **NO** tutorial in week one. Starting in week two, tutorials will be directly related to lectures in the previous week. Students need to bring and submit tutorial assignments during each tutorial. Marks will be given for completion of the tutorial assignments as follows:

0 marks: no attempt at the work has been made

½ mark: some of the work has been completed

1 mark: a good, honest, attempt has been made at all of the required work

NB: It is not about the work being correct but rather you have really had a good attempt at the work.

For tutorial assignments, we only count the best 10 out of 12. If you cannot make it to your seminar for any reason, you will get a zero for the day.

2. Computer Lab Assessments: 10% of overall grade

There are ten computer labs throughout the semester starting Week 2. Please check the course calendar for the lab schedules. Starting from Week 3, students need to bring and submit assignments. The assignments are related to, and very often similar, to the lab problems in previous week. If you do not attend the labs, it will be difficult for you to complete the lab assignments. With respect to lab assignment, you will be assessed on four randomly chosen labs, worth 2.5% each. In addition, there is a 0.5 mark penalty for each lab assignment you miss. For example, if you submit only nine lab assignments, your maximum lab mark will be 9.5% (suppose you get full marks for all four randomly chosen assignments). If you submit only 8 assignments, your maximum lab mark will be 9%.

3. Terms Test: 40% of overall grade

A two-hour terms test will be held on 8th April (Week 7) from 6pm to 8pm. The exact location for this test will be notified later in lectures and Blackboard. It will examine all materials (including lectures, handouts, class discussions, tutorials, computer labs) covered from week one up to the end of week six, inclusive. There will be a formula sheet provided (it may not be exhaustive). You are

required to bring along a **university approved calculator** (CASIO FX82, CASIO FX100, CASIO FX95, CASIO FX570, or SHARP EL531) to the test.

4. Final Exam: 40% of overall grade

A two-hour final exam will be held in the final examination period. The date, time and venue will be notified as soon as they become available. All course material after the first test (i.e., from week seven onward) will be examinable. There will be a formula sheet provided (it may not be exhaustive). You are required to bring along a **university approved calculator** (CASIO FX82, CASIO FX100, CASIO FX95, CASIO FX570, or SHARP EL531) to the test. See <http://www.otago.ac.nz/cs/groups/public/@otagoexaminationsoffice/documents/webcontent/otag0505401.pdf> for approved university calculators.

Assessment Weighting

No.	Type	Weight	Due Date
1	Weekly Tutorials Assignments	10%	During the tutorials
2	Computer Lab Assignments	10%	During the following week's computer labs
3	Terms Test. Covers all material from weeks 1 – 6 inclusive.	40%	Week 7 (8 th April)(6pm to 8pm)
4	Final Exam. Covers all course material after the terms test (i.e., from week seven onward)	40%	Exam Period
	Total	100%	

To gain Terms in ACCT 233, you must obtain a mark of **at least 45% on the Terms Test**.

To gain a pass in the course you must:

1. gain **Terms**;
2. score **at least 45% in the Final Exam**; and,
3. score **at least 50% overall**, as weighted in the table above.

Learning Outcomes

Learning Outcomes	Tutorials	Labs	Test Terms	Final Exam
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 firm capital structure and payout policy	✓			✓
Total	10%	10%	40%	40%

Course Calendar

Staff	Course Week	Dates	Topics	Pre-class Reading	Tutorial	Lab	
YT	1	Monday 24 Feb	Time Value of Money (TVM) and Valuation of Bonds and Stocks	5, 6.4, 7.3			
YT	2	Monday 2 mar	Ration Analysis	3	TVM and Valuation of Bonds and Stocks	Data Entry, Formatting and Printing	
YT	3	Monday 9 mar	Financial Planning and Forecasting	4, Reading Materials on Blackboard	Ratio Analysis	Cell Referencing and Math Functions	
YT	4	Monday 16 mar	Working Capital Management I	15, Reading Materials on Blackboard	Financial Planning and Forecasting	Logical Functions and Statistical functions	
YT	5	Monday 23 mar	Working Capital Management II	15, Reading Materials on Blackboard	Working Capital Management I	Cash Budgeting	
YT	6	Monday 30 mar	Excel Guest Lecture, Working Capital Management III	16, Reading Materials on Blackboard	Working Capital Management II	Account Receivables Management	
YT	7	Monday 6 April	Excel Guest Lecture, Capital Budgeting I	9, 10	Working Capital Management III. Midterm Test		
	8	Mid Semester Break 13 – 17 April					
YT	9	Monday 20 April	Capital Budgeting II	10,11	Capital Budgeting I	Financial Function I	
TS	10	Monday 27 April	Cost of Capital	9	Capital Budgeting II	Financial Function II	
TS	11	Monday 4 May	Leasing	17.2	Cost of capital	Capital Budgeting	
TS	12	Monday 11 May	Leverage Analysis	13	Leasing	Estimate Cost of Capital	
TS	13	Monday 18 May	Capital Structure Concepts	13	Leverage Analysis	Leverage Analysis	
YT/TS	14	Monday 25 May	Buffer Class		Capital Structure Concepts		

Lectures End Friday 29 May
University Exam Period 3 June – 17 June 2020

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.