



BUSINESS SCHOOL
Te Kura Pakihi

COURSE OUTLINE

ACCT 423 ***Finance***

Semester One, 2019

This course outline contains information specific to this paper. For more general information common to your papers, please refer to the COMMERCE_UG_2019: Commerce Undergraduate Students site on Blackboard.

Paper Description and Aims

This paper examines the theory and application of why and how optimal corporate financial decisions are made. It is also concerned with the preparation and uses of accounting information for internal and external financial decision-making in order to help maximise a firm's value. The paper also includes 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.

Restrictions: BSNS 108 and ACFI201

Learning Outcomes

Upon successful completion of this paper, you should be able to:

1. Describe the role and objective of financial management and implement decisions involving the time value of money
2. Perform security and firm valuation
3. Undertake capital budgeting to determine optimal investment opportunities and examine the concepts behind the cost of capital
4. Analyse and interpret financial statements using financial ratios
5. Apply strategies using 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. Demonstrate an understanding of optimal capital structure
8. Develop spreadsheets to convey financial information
9. Work effectively in a team environment

Teaching Staff

Paper Coordinator and Lecturer

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Lecturer

Name: Dr. Yongxian Tan (YT)
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Office Hours: Monday 2p.m. – 4 p.m.; Wednesday 4 p.m. – 5 p.m.

You should contact *Daisy Chou* with any administrative enquiries about the paper, e.g. tutorial changes, or requests for late submission of assignments.

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: Thursday 13:00-15:50
Rooms: OBS 337

Tutorial Day/Time: Thursday 16.00-16.50 is held at OBS 337
Computer Lab Day/Time: Tuesday 9.00 am-9.50 am is held at CNCAL

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>

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.

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 handsets (just in case if the handsets in the lab are not working) 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 **Principles of Managerial Finance** by Gitman, L. J., and C. J. Zutter, 15th edition, 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/> 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_2017: 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 10 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.

If you cannot make it to your seminar for any reason, you will get a zero for the day.

2. Excel Lab Assessments: 10% of overall grade

There are 9 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 workshop problems in previous week. If you do not attend the workshops, you may encounter difficulties in solving the workshop problems. You will be assessed on four randomly chosen workshops, worth 2.5% each. In addition, there is a 0.5 mark penalty for each workshop assignment you miss. For example, if you submit only 8 workshop assignments, your maximum workshop mark will be 9.5% (suppose you get full marks for all four randomly chosen assignments). If you submit only 7 assignments, your maximum workshop mark will be 9%.

3. Terms Test: 40% of overall grade

A two-hour terms test will be held on 18th April (Week 8) from 1:10pm to 3:10pm in OBS 336. It will examine all materials (including lectures, handouts, class discussions, tutorials) 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. 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/otag_0505401.pdf for approved university calculators.

Assessment Weighting

No.	Type	Weight	Due Date
1	Weekly Tutorials	10%	During the tutorials
2	Excel Assessment	10%	During the following week's computer labs
3	Terms Test. Covers all material from weeks 1 – 6 inclusive.	40%	Week 8 during the lecture time

4	Final Exam. Covers all course material after the terms test (i.e., from week seven onward)	40%	To be confirmed
	Total	100%	

Learning Outcomes

Learning Outcomes	Tutorials	Assessment Excel	Midterm	Final Exam
Describe the role and objective of financial management and implement decisions involving the time value of money	✓		✓	
Perform security and firm valuation	✓		✓	
Undertake capital budgeting to determine optimal investment opportunities and also examine the concepts behind the cost of capital	✓		✓	
Develop spreadsheets to convey financial information		✓		
Analyse and interpret financial statements using financial ratios	✓			✓
Apply strategies using financial planning and forecasting by constructing spreadsheets in relation to cash budget and forecast of financial information	✓			✓
Implement optimal working capital management structures	✓			✓
Demonstrate an understanding of optimal capital structure	✓			✓
Work effectively in a team environment	✓			
Total	10%	10%	40%	40%

Course Calendar

Staff	Course Week	Dates	Topics	Reading chapters	Tutorial	Lab
YT	1	25 February - 1 March	Time value of Money (TVM) and Valuation of Bonds and Stocks	5, 6.4, 7.3		

YT	2	4 March – 8 March	Ratio Analysis	3	Time value of Money (TVM) and Valuation of Bonds and Stocks	Data Entry, Formatting and printing
YT	3	11 March – 15 March	Financial Planning and Forecasting	4	Ratio Analysis	Cell Referencing and Math Functions
YT	4	18 March – 22 March	Working Capital Management I	15	Financial Planning and Forecasting	Logical Functions and Statistical Functions
YT	5	25 March – 29 March	Working Capital Management II	15	Working Capital Management I	Cash Budgeting
YT	6	1 April – 5 April	Working Capital Management III	15	Working Capital Management II	Account Receivables Management
DC	7	8 April – 12 April	Capital Budgeting I	10	Working Capital Management III	
YT/DC	8	15 April – 19 April	Mid-term Exam			
Mid-semester break (22 April – 26 April)						
DC	9	29 April – 3 May	Capital Budgeting II	11	Capital Budgeting I	Financial Functions I
DC	10	6 May – 10 May	Cost of Capital	9	Capital Budgeting II	Financial Functions 2
DC	11	13 May – 17 May	Leverage and Capital Structure I	13	Cost of Capital	Cost of Capital
DC	12	20 May – 24 May	Leverage and Capital Structure II	13	Leverage and Capital Structure I	Leverage
YT/DC	13	27 May – 31 May	Buffer Class		Leverage and Capital Structure II	

Lectures End Friday 31 May 2019
University Exam Period 5 - 19 June 2019

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.