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[refer to the ANU Campus Map
\(map GH32, reference G3\)](#)

Course Outline

FINM7007 Applied Corporate Finance

Semester 1, 2012

***STUDENTS: Course details change from semester to semester.
Please check that you are reading the correct Course Outline.***

Course Description: This course focuses on tools and techniques used in modern financial management. Material in the course has an applied focus and is designed to provide students with the knowledge and skills required for understanding, exploring and analysing financial management issues. The course draws upon topical material in order to contextualise theoretical discussion, and present students with examples in practice.

Graduate Studies Select Classification: [Specialist](#) and [Transitional](#)

Contacts

Role	Office address	Email	Telephone	Consultation Times
Course Convenor and Lecturer (Course Authority) Jenni Bettman	Room 4.40 CBE Building 26C	jenni.bettman@anu.edu.au	(02) 6125 1080	Wednesday 9-11am
School Student Administrator Tracy Skinner	Room 4.48 CBE Building 26C	tracy.skinner@anu.edu.au	(02) 6125 0487	N/A

Communication with students

Email If necessary, the lecturers and tutors for this course will contact students on their official ANU student email address. Information about your enrolment and fees from the Registrar and Student Services' office will also be sent to this email address.

Announcements Students are expected to check the Wattle site for announcements about this course, e.g. changes to timetables or notifications of cancellations. Notifications of emergency cancellations of lectures or tutorials will be posted on the door of the relevant room.

- Course URLs** More information about this course may be found on:
- [Study @ ANU](#),
 - the [College of Business and Economics website](#), and
 - [Wattle](#), the University's online learning environment. Log on to Wattle using your student number and your ISIS password.

Course Information

- Learning Outcomes** On satisfying the requirements for this course, students should have the knowledge and skills to:
- apply discounted cash flow techniques;
 - analyse and communicate the valuation of investment opportunities;
 - analyse and communicate details of firm financing choices;
 - analyse and communicate details of firm dividend policy; and,
 - understand the motivation and procedures for mergers and acquisitions.

- Workload** Students taking this course are expected to commit at least 10 hours a week to completing the work. This will include:
- 2 hour a week: lecture
 - 1 hour a week: tutorial
 - 7 hours a week: reading notes and textbook, attempting tutorial questions prior to tutorial, reviewing tutorial answers.

Course Delivery


Two-hour lecture and one-hour tutorial per week.

Attendance Requirements

Students are expected to attend all lectures and tutorials.

Tutorial Registration

Enrolment in tutorials will be completed online using the Electronic Teaching Assistant (ETA). To enrol, follow these instructions:

1. Go to <http://eta.fec.anu.edu.au>.
2. You will see the Student Login page. To log into the system, enter your University ID (your student number) and password (your ISIS password) in the appropriate fields and hit the **Login** button.
3. Read any news items or announcements.
4. Select "Sign Up!" from the left-hand navigation bar.
5. Select your courses from the list. To select multiple courses, hold down the control key. On PCs, this is the **Ctrl** key; on Macs, it is the  key. Hold this key down while selecting courses with the mouse. Once courses are selected, hit the **SUBMIT** button.
6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.
7. For security purposes, please ensure that you click the **LOGOUT** link on the confirmation page, or close the browser window when you have finished your selections.
8. If you experience any difficulties, please contact the School Office (see page 1 for contact details).

Study Schedule

Lectures

Lecture times will be discussed in the first lecture which will take place on **Monday, 20th February 2012**. The lecture will be from **2-4pm** in the **RN Robertson Theatre**.

Suggested study schedule, including attendance requirements, lecture schedule and tutorial questions

Week beginning	Topic	Activity	Required student preparation (Read Through Lecture Notes)	Assessment deadlines
20 February 2012	Course introduction and revision of assumed knowledge	Lecture	Lecture Notes 1 Textbook: Ch. 1, 3-5, 8, 9, 11	
27 February 2012	Investment Decisions: NPV, IRR, mutually exclusive projects and projects with constraints	Lecture / Tutorial	Lecture Notes 2 Textbook: Ch. 6	Tutorial 1 Questions
5 March 2012	Investment Decisions: Capital Budgeting	Lecture / Tutorial	Lecture Notes 3 Textbook: Ch. 7	Tutorial 2 Questions Quiz 1
12 March 2012 Public Holiday – time and location of lecture to be advised.	Financing choices: Equity financing, debt financing, and leasing.	Lecture / Tutorial	Lecture Notes 4 Textbook: Ch. 23-26	Tutorial 3 Questions Quiz 2
19 March 2012	Financing choices: IPO, SEO, and private equity	Lecture / Tutorial	Lecture Notes 5 Textbook: Ch. 23	Tutorial 4 Questions Quiz 3
26 March 2012	Capital structure: MM theory, valuing the interest tax shield, and optimal capital structure with taxes	Lecture / Tutorial	Lecture Notes 6 Textbook: Ch. 14, 15	Tutorial 5 Questions Quiz 4
2 April 2012	CFA code of ethics: Integrity of capital markets	Lecture / Tutorial	Lecture Notes 7 CFA Readings (To made available via Wattle)	Tutorial 6 Questions Mid-Semester Examination held this week ¹
9 April – 22 April (inclusive) Non-Teaching Period				
23 April 2012	Capital structure: Financial distress, agency costs, and the trade-off theory	Lecture / Tutorial	Lecture Notes 8 Textbook: Ch. 16	Tutorial 7 Questions
30 April 2012	Payout policy: Types of dividends, and dividends & taxes.	Lecture / Tutorial	Lecture Notes 9 Textbook: Ch. 17	Tutorial 8 Questions Review Mid-Semester Exam
7 May 2012	Payout policy: Dividends and signalling	Lecture / Tutorial	Lecture Notes 10 Textbook: Ch. 17	Tutorial 9 Questions Quiz 5
14 May 2012	Cost of Capital and WACC	Lecture / Tutorial	Lecture Notes 11 Textbook: Ch. 12, 18	Tutorial 10 Questions Quiz 6
21 May 2012	Takeovers and Corporate Restructuring	Lecture / Tutorial	Lecture Notes 12 Textbook: Ch. 28	Tutorial 11 Questions Quiz 7
28 May 2012	Review of Course Material	Lecture / Tutorial	Lecture Notes 13	Tutorial 12 Questions

¹ Details regarding the Mid-Semester Examination will be made available when obtained from exam section. As such, the date for the mid-semester may not be within this week. Further information will be provided as soon as received by the lecturer.

Assessment

Proposed Assessment Schedule

Details about assessment may change during the first two weeks of semester. Please ensure that you check with your lecturer or tutor about any changes. Changes to the assessment schedule will be posted to the Wattle site.

Assessment item	Description and detail of assessment	Specific Requirements	Due Date	Weighting (%)
In-Tutorial Quizzes	Quizzes held throughout the semester. Students best 5 out of 7 counts. Quizzes are held at the end of the tutorial for a duration of 10 minutes.	Students should prepare their tutorial questions prior to the tutorial, Questions should be raised prior the commencement of the quiz.	Held throughout semester in tutorials. Dates outlined in the schedule.	15%
Optional Redeemable Mid-Semester Examination	Closed book exam with no formula sheet. Students are required to revise and memorise appropriate formulae. A mixture of theory and practical questions will be asked. More details will be provided as the exam approaches.	Students will need to review and revise the material covered in lectures 1 to 5 (inclusive).	TBA – sometime in the 7 th week of semester	0% or 30%
Final Examination	Closed book exam with no formula sheet. Students are required to revise and memorise appropriate formulae. A mixture of theory and practical questions will be asked. More details will be provided as the exam approaches.	Students will need to review and revise all material pertaining to the course.	TBA	85% or 55%

Learning Outcomes-Assessment

How well have you achieved the learning outcomes for this course? Your lecturer makes this judgement based on your assignments and examination papers. This table illustrates how each assessment item provides evidence about your achievements against each learning outcome.

Course Learning Outcomes	Tutorial Quizzes	Mid-Semester Examination	Final Examination
Upon successful completion of the requirements for this course, students will be able to:			
Apply discounted cash flow techniques	✓	✓	✓
Analyse and communicate the valuation of investment opportunities	✓	✓	✓
Analyse and communicate details of firm financing choices	✓	✓	✓
Analyse and communicate details of firm dividend policy	✓		✓
Understand the motivation and procedures for mergers and acquisitions	✓		✓

Assessment Details

Tutorial Quizzes (7 in total)

Due date	7 quizzes held within tutorials on the weeks specified on the schedule in this outline.
Value (%)	15%
Suggested length	The quizzes will be 10 minutes in duration, at the end of the tutorial.

Instructions	<ul style="list-style-type: none"> - Students are required to prepare worked solutions to tutorial questions, bring these solutions to tutorials, and be prepared to participate in tutorial discussions. - Students will be required to sit 7 in-tutorial quizzes throughout the semester. - These quizzes will be 10 minutes in duration and will be run according to the schedule (unless otherwise stated by the lecturer). - The content for the quizzes will be limited to the required material for the tutorial in which it is held. - Students' best 5 marks will count towards 15% of their overall course grade.
Purpose	Keep students up to date, and provides feedback for instructor and student on their progress for the course.
Marking criteria	Based on Model Solutions prepared by lecturer – will be made available to students after the quiz is held.
Submission details	N/A

Mid-Semester Examination

Due date	TBA – During Week 7
Value (%)	0% if the mid-semester exam is not attempted or it is redeemed in the final, or 30% if the exam is not redeemed in the final.
Suggested length	TBA
Instructions	The mid-semester is optional and redeemable. Specifically, if a student sits the mid-semester exam, but gets a higher mark in the final exam, then the final exam mark will count for 90% of the assessment, and the lower mid-semester exam mark will not count. More specific details regarding the time and location of the examination will be provided once they have been confirmed. The exam will test topics covered in lectures held in Week 1 to Week 5 (inclusive).
Purpose	Allows students feedback on their progress of the course. Enables students an opportunity to review the first five weeks of material which is critical for the remainder of the course.
Marking criteria	Model Solutions as prepared by lecturer – will be made available to students after the examination is held.
Submission details	N/A

Final Examination

Due date	TBA
Value (%)	85% if the mid-semester exam is redeemed, or 55% if the mid-semester exam is not redeemed.
Suggested length	TBA
Instructions	The final examination will be based on all the work covered throughout the duration of the semester. The exam will include a mixture of theoretical and numerical questions. Students will be provided with further details regarding the exam as it approaches.
Purpose	Tests the student's understanding and comprehension of the course material and ensures they have obtained the learning objectives of the course.
Marking criteria	Model Solutions as prepared by lecturer.
Submission details	N/A

Scaling

Your final mark for the course will be based on the **raw** marks allocated for each assignment or examination. However, your final mark may not be the same number as produced by that formula, as marks may be **scaled**. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

Examinations

Exact dates and location for the mid-semester and final examinations will be made available during semester. Completion of both examinations is a compulsory requirement of the course.

Texts and Other Reading

Prescribed Texts

The following textbook has been prescribed for FINM7007 Financial Management:

"Corporate Finance", 2nd Edition, by Berk and DeMarzo.

Course-related Matters

Requisites

Familiarity with EXCEL spreadsheets is required.

General Information for all Students

CBE Student Office

<http://www.cbe.anu.edu.au/>

The CBE Student Office provides assistance with program and course selection, enrolment, change of program, variation to enrolment, status and other general matters. It is located on Level 2 of CBE Building 26c, contact details:

- T: (61) 02 6125 3807
- E: info.cbe@anu.edu.au

Main Administrative Dates 2012

http://www.anu.edu.au/sas/SEAP_guide/

The main administrative dates regarding teaching sessions, course census dates, examination period, graduation and enrolment variations (i.e. add and drop courses) are available from the ANU SEAP Guide 2012.

Associate Dean (Education)

Dr Royston Gustavson is the Associate Dean (Education) in the ANU College of Business & Economics.

ANU Student Support

Academic Skills and Learning Centre

<http://www.anu.edu.au/academicskills/>

The Academic Skills and Learning Centre, in the Pauline Griffin Building, offers services to students regarding a range of academic issues including essay writing, note-taking, referencing, reading, examination preparation, and plagiarism.

ANU College

<http://www.anucollege.com.au/>

ANU College offers the following introductory and extended programs:

- maths bridging courses; and
- English language support for students from non-English-speaking backgrounds.

Information Literacy Program

<http://ilp.anu.edu.au/index.html>

Workshops are available to undergraduate and graduate students to develop skills in handling information and communication technologies.

Policies, Procedures and Rules

ANU SEAP Guide 2012

http://www.anu.edu.au/sas/SEAP_guide/

The Student Enrolment and Administrative Procedures Guide (SEAP) supplements the ANU Undergraduate Handbook information available on Study@ANU (<http://info.anu.edu.au/studyat/>), the ANU Rules (<http://www.anu.edu.au/cabs/rules/>), and the Graduate Research website (<http://www.anu.edu.au/graduate/>).

Information for Enrolled Students

http://cbe.anu.edu.au/Current_Students/general_info/

Students are expected to be familiar with the ANU College of Business & Economics and university-wide policies and procedures on the following:

- Code of Practice for Student Academic Honesty
- Assessment Arrangements for Students from Language Backgrounds Other Than English
- Academic Progress Rules and Procedures
- Special examinations/consideration
- Supplementary examinations
- Review of assessment procedures

Special Examinations

http://cbe.anu.edu.au/Current_Students/general_info/specexam.asp

You must contact the College Office for guidance on the procedure for special examinations for final examination. Do not approach your lecturer for this information.

Students who are unable to attend an examination for reasons outlined in the policies above, may **apply** to sit a special examination by lodging an application with the College Student Administration Office no later than 72 hours after the scheduled examination. It is important to emphasise that **travel arrangements and minor illnesses are not normally acceptable grounds for special examinations** (Section 2, College 'Special Examination Policy').

Section 7.7 of the 'Student Enrolment and Procedures Guide 2009' states:

Students must make themselves available for the duration of the examination period in order to attend any special examination that may be required.

If you know in advance of circumstances whereby you will be unable to sit the examination, you should lodge an application for a special examination as soon as possible.

The dates on which Special Examinations will be held will be published on the School website when the final timetable is published.

Applications for special examinations must be correctly completed with all original supporting documentation attached. Where an application is made on the grounds of sickness, Section B of the application **must be completed by a medical practitioner** and a detailed medical certificate stating the effect on your capacity to sit the examination is required.

The medical certificate must carry the stamp from the medical practice, and will not always be sufficient evidence.

Special examinations are **not automatically** granted. If approved, successful candidates are required to contact the relevant School Office to obtain details of the special exam. If you do not sit the examination, or your application for a special examination is declined, then you will fail the course as incomplete.

It is not grounds for a further special examination if students are not contactable and miss the scheduled examination date.

Special Consideration

If illness or other disruptive events have affected your preparation for, or performance during, an examination, you can bring this to the attention of the examiners by making a request for special consideration using the Application for Special Consideration form.

Requests for special consideration must be lodged with the relevant **School Office** before the scheduled date of the examination. However, if it relates to a problem that arose during the examination, it should be submitted immediately after the examination (see the invigilator).

Requests for special consideration must be accompanied by documentation of the illness and/or a letter setting out the reasons for the difficulties in studying for or sitting an examination. The examiners will take this into account in awarding the final grade.

Special Arrangements

If you have a disability or disorder (permanent or temporary) which makes undertaking a formal sit-down examination difficult, then ***you are responsible for requesting special arrangements to be made for your examination***. In the past these arrangements have included the use of special equipment, additional time, writing breaks, a scribe (someone to write for you), etc.

Please contact the Examinations and Graduations Office early in the semester and **at least 10 days prior to the examination period**.

Failure to make appropriate arrangements for an examination may result in a subsequent application for a special examination/special consideration being declined.

Disabilities

If you have any queries about special arrangements with respect to disabilities, please refer to the Disabilities Officer. The ANU Disability Services Centre's website is at <http://www.anu.edu.au/disabilities/>.

Supplementary Examinations

<http://www.anu.edu.au/cabs/rules/ExamsRules.pdf>

In accordance with the University Examinations Rules 2009 (No. 3), you may be provided with a supplementary examination.

If you have qualified for a supplementary examination, your grade will be recorded as a PX on your Notification of Results. ***You must notify the School Office, in writing (email is satisfactory), within 7 days of the official publication date of examination results to indicate your acceptance or otherwise to sit the supplementary examination.***

If you pass the supplementary examination you will receive the grade of PS (pass at supplementary examination) and a mark of 50. If you are unsuccessful, or you decide not to sit the supplementary examination, your grade will be recorded as N (fail) and your original mark will stand.

Supplementary examinations will be held early in the next semester on dates to be advised. For information regarding the timing and venues for supplementary examinations please refer to the school websites in week 2 of the current semester:

ABIS: <http://www.cbe.anu.edu.au/schools/abis/>

ECONOMICS: <http://www.cbe.anu.edu.au/schools/eco/>

FAS: <http://www.cbe.anu.edu.au/schools/fas/>

MMIB: <http://www.cbe.anu.edu.au/schools/mmib/>

Travel plans should be made accordingly as travel plans are not an acceptable reason to miss a supplementary examination.

Results and Examinations

In accordance with the University Assessment Grades/Codes, CBE applies the following scale when awarding grades:

Final Pass Grades	
HD – High Distinction	80–100
D – Distinction	70–79
CR – Credit	60–69
P – Pass	50–59
PS – Pass at supplementary examination	50
Final Fail Grades	
N – Fail	00–49
NCN – Not Completed/Fail	
WN – Withdrawn with failure	
Interim Codes (used when a result for a course has not yet been finalised)	
DA – Deferred assessment	
PX – Offered supplementary assessment	
RP – Result pending	
WA – Withheld for administrative reasons	

Results Notification

To access results students should check their ISIS accounts on the advertised date for release of examination results. After publication, students enquiring about results must provide an ANU student card as proof of identification to the Examinations, Graduations, Prizes and Timetabling Office (Building 12). For privacy reasons students should not make enquiries regarding the results of other students.

Examination Timetable – Final Examination Period

<http://timetable.anu.edu.au/>

Details of the final examination timetable are available on the ANU Timetabling website. The onus is upon students to acquire their own scheduling details.

Examination Timetable – Mid-Semester Examinations

When a mid-semester exam is scheduled, timetable information will be posted by the relevant School.

Misconduct

<http://www.anu.edu.au/cabs/rules/DisciplineRules.pdf>

In relation to an examination, misconduct on the part of a student includes:

- cheating;
- plagiarism (including the reproducing in, or submitting for assessment for, any examination, by way of copying, paraphrasing or summarising, without acknowledgement and with the intention to deceive, any work of another person as the student's own work, with or without the knowledge or consent of that other person);
- submitting for an examination any work previously submitted for examination (except with the approval of the prescribed authority);
- failing to comply with the University's instructions to students at, or in relation to, an examination;
- acting, or assisting another person to act dishonestly, in or in connection with an examination; and/or
- taking a prohibited document into an examination venue.

The administrative procedures regarding misconduct are incorporated in the ANU Discipline Rules.

Plagiarism

<http://academichonesty.anu.edu.au/>

The College regards plagiarism as any appropriation of the ideas or expressions of another without relevant and appropriate acknowledgment. This includes un-attributed appropriation of text or content and may extend to improper referencing. Plagiarism will not be tolerated in any course and all discovered instances would be pursued to the full extent allowable under the rules.

Where students have doubts as to how to deal with or acknowledge source materials in course assignments they should consult the lecturer or tutor.

The penalties and administrative procedures regarding plagiarism are incorporated in the ANU Policy on Academic Honesty.

On-line material discussing plagiarism and referencing styles is available from the Academic Skills and Learn