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| Assessment Task | Assignment |
| Title | Nextel Peru |
| Assessment Level | Group |
| Distribution Date | 29 th April |
| Due Date | 17 th May by 3pm |
| Total Weighting | 25% |
| Brief overview of the assessment tasks | Prepare a research report to the manager on Cost of Capital. |
| Submission | See Section 4 |
| Special Instructions | Read all sections of this document BEFORE commencing the assignment tasks. |

PROJECT ADMINISTRATION

1. Group Assessment
2. Professional and Academic Integrity
3. Format, presentation and referencing
4. Submission instructions

1. Group Assessment

This assignment is a group assignment and students are expected to work as a team. It is expected that all group members will contribute towards the final document.

2. Your Professional and Academic Integrity (Honesty)

As a UQ Business School student enrolled in FINM3403, it is anticipated that students will always act with professional and academic integrity. It is expected that students will always be honest in their actions and communications with the teaching team, to commit and complete the assigned tasks to the best of their ability, to correctly acknowledge all sources of ideas/information when they are not their own (to avoid plagiarism), to meet set timelines, and to act professionally in dealings with others (as you would be expected to in the workplace).

UQ has an Academic Integrity and Plagiarism policy that highlights the University's approach to plagiarism, including the approved use of plagiarism detection software, the consequences of plagiarism and the principles associated with preventing plagiarism. If you are not familiar with this policy, see <http://www.uq.edu.au/hupp/index.html?page=25128> for further details. Take note of how UQ describes academic integrity and plagiarism.

Academic Integrity: *Students have a responsibility to maintain the highest standards of academic integrity in their work. Students must not cheat in examinations or other forms of assessment and must ensure they do not plagiarise.*

For UQ's policy see <https://my.uq.edu.au/information-and-services/manage-my-program/student-integrity-and-conduct/academic-integrity-and-student-conduct>

Plagiarism: *Plagiarism is the act of misrepresenting as one's own original work the ideas, interpretations, words or creative works of another. These include published and unpublished documents, designs, music, sounds, images, photographs, computer codes and ideas gained through working in a group. These ideas, interpretations, words or works may be found in print and/or electronic media.*

3. Format, presentation and referencing.

This Assignment has one component: a written research report to a fee-paying client.

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| Business report | <p>The report will be 4 to 5 pages.</p> <p>Executive Summary, tables, appendices and reference list or any other information that you have used to substantiate your findings will NOT count towards the page limit. However, it should be clear to the reader that the authors have met the page limit requirement of 4 to 5 pages.</p> <p>As a guide to the format of written business reports refer to: https://www.victoria.ac.nz/vbs/teaching/resources/VBS-Report-Writing-Guide-2017.pdf</p> <p>In summary, the report must contain the following sections and sub-sections:</p> <ol style="list-style-type: none">1. Cover or Title page - Include an appropriate report title, date of submission, word count, page count, the names of all team members (First name, Family Name with Family Name in bold type and uppercase). For example, <div style="display: flex; justify-content: space-around; margin-top: 10px;"><div>Vaibhav BHANDARI Angela FITZMAURICE</div><div>Joshua CHOI Joshua SUHERMAN</div><div>Matthew CRANITCH</div></div>2. Include the following statement and include your name underneath the statement: <i>“This is my own original work, and no part of this assignment has been copied from any other source or person except where due acknowledgement is made; no part of the work has been previously submitted for assessment in this or any other institution; I am familiar with and understand the implications of UQ’s policies relating to academic integrity and student conduct.”</i>3. Executive Summary – The executive summary should be brief. While it will not count towards the page limit, we reserve the right to penalise those cases where the summary is verbose. See page 5 of the report guide.4. Introduction – See page 6 of the guide.5. Findings and Discussion – see page 8 of the guide. Here you can use appropriate section headings that are tailored to this assignment.6. Conclusion - see page 6 of the guide.7. References - use the <i>Harvard</i> referencing style. Here is the link to it at the UQ Library webpage: https://guides.library.uq.edu.au/referencing/uqharvard-version-for-printing8. Information presented in the Appendix will not count towards the page limit. All tables and other information presented here should adhere to professional standards that we expect in body of the submission.9. Save the report document as a PDF and include the first letter of the family names (surnames) of all group members in the file name e.g., BCCFS.pdf. |
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4. Submission instructions

The Business Report (Assignment) must be submitted by the due date. **Submission link will be available on May 6th** and located within the Assessment tab.

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| Business Report | <ul style="list-style-type: none">• A hard copy of the submission of the business report is NOT required.• The Assignment PDF file is to be submitted via Blackboard. The team will have the multiple opportunities to submit the assignment and ONLY the last attempt will be graded. <p>Note: <u>This link will become available on May 6th.</u></p> |
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FINM3403 Case Study Assignment: Nextel Peru: Emerging Market Cost of Capital

Description:

The purpose of this case is to apply your knowledge to cross-border valuation. The case will also be used to examine student report writing skills, general finance knowledge, research skills and ability to critically evaluate complex case scenarios.

The case is to be undertaken as part of a group. All cases will be reviewed for plagiarism and independent content. The University has adopted the following definition of ***plagiarism***:

Plagiarism is the act of misrepresenting as one's own original work the ideas, interpretations, words or creative works of another. These include published and unpublished documents, designs, music, sounds, images, photographs, computer codes and ideas gained through working in a group. These ideas, interpretations, words or works may be found in print and/or electronic media.

Students are encouraged to read the UQ Student Integrity and Misconduct policy (<http://ppl.app.uq.edu.au/content/3.60.04-student-integrity-and-misconduct>) which makes a comprehensive statement about the University's approach to plagiarism, including the approved use of plagiarism detection software, the consequences of plagiarism and the principles associated with preventing plagiarism.

Criteria & Marking:

In general, the case will be assessed based on:

- Presentation of a thoughtful and well supported discussion of issues;
- Clarity of analysis; and
- Professional presentation including grammar, spelling, punctuation.

Your assignment will also be judged based on its suitability to be presented to a fee-paying client. Please refer to the Rubric for information about the criteria.

The Case

Download the case directly from the publisher's website by clicking on the **“Nextel Peru: Emerging Market Cost of Capital”** link in Group Assignment folder.



Nextel Peru: Emerging Market Cost of Capital ✓

Weighting: 25% of final grade.

Due Date: 17th May 2024 by 3pm.

The assignment should be submitted using Blackboard only. Submissions sent to my email, or the course email address will be ignored. Follow the procedure outlined in “SUBMISSION INSTRUCTIONS”.

LATE SUBMISSION: An assignment (*for which no extension has been granted*) submitted after the due date and time, will incur a late submission penalty. The penalty is at the rate of 10% of the total available marks for that piece of assessment, for each calendar day or part thereof that the item is overdue. The penalty once calculated is deducted from the marks awarded for the assessment.

FORMATTING:

Please ensure document is one-and-a-half-line spaced with size 12 type and with 1” (2.54 cm) margins.

LENGTH: The word limit is *strictly* 4-5 pages.

Any material exceeding this limit will NOT be read and the mark for the assignment will be based on the material up to the point where the page limit was exceeded.

Nextel Peru Case Study Questions

Put yourself in the shoes of Rafael d'Anconia. Using information in the case, your notes from class, and your experience, you are asked present a business report to the fund's Chief Investment Officer on Entel's purchase of Nextel Peru. Your report should address the following issues.

- (a) To what extent do you think you should be concerned with whether Peru is integrated into or segmented from global capital markets? How is this concern likely to affect the estimation of the country's risk premium and cost of capital? What are your estimates for the cost of capital?
- (b) Determine the cash flows of Nextel Peru, the target firm based on the information provided in the case. Note: Use data provided in the appendix of the case to estimate cash flows.
- (c) After considering your estimate of cost of capital, your estimate of long-range growth rate and free cash flow, do you think the \$400 million purchase price is fair?

You do not need to answer each question explicitly. The questions are designed to guide your thinking. You should, however, discuss all the relevant issues. And should you make any assumptions (for e.g. revenue, cost projections etc), it needs to be based on information in the case or from verified external sources (in which case you should provide full references). For firm financial information there is no need to use data from external sources. In other words,