



**SOLOMON ISLANDS NATIONAL UNIVERSITY**

**Faculty of Business and Tourism**

**School of Business and Management**

**Department of Accounting**

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**Semester:** 1 (Year 4)  
**Program:** Bachelor of Accounting  
**Unit Title:** Corporate Financial Management 1  
**Unit Code:** FIN702  
**Credit Points:** 15  
**Prerequisite:** A pass in ACC701 & ACC702

**Lecturer:** Mr. Chris Vaike  
SBM Office, Kukum Campus  
Email: [chris.vaike@sinu.edu.sb](mailto:chris.vaike@sinu.edu.sb)

**Other Lecturers/Tutors:** Nil

**Lectures:** Fridays 2.00 pm – 4.00 pm (Rm: Lecture Theatre)  
**Tutorials:** Group A Tuesdays 10 am – 12 pm (Rm: B2)  
Group B Wednesdays 2 pm – 4 pm (Rm: B2)

**Emergency Contact**

**Name:** Ms Sako Giano  
**Position:** School Secretary  
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**Self-Directed Learning:** 5 Hours per week recommended

**Consultation Time:** TBC

**E-Information:** All pertinent information relating to the unit shall be posted on the [Moodle](#). Students are required to check the Moodle regularly for communication from the lecturer.

<b>TOTAL LEARNING HOURS (Includes Recommended Self Directed Learning)</b>	<b>Learning Hours</b>
Contact Hours	69
Lectures	28
Tutorials	26
Consultations	15
Self-Directed Learning (during term)	71
Self-Directed Learning (Mid-Term Break)	10
Self-Directed Learning (Study & Exam Weeks)	30
<b>Total Learning Hours</b>	<b>180</b>

### **1.0 Welcome**

I welcome you to this unit Corporate Financial Management 1. This is a third year degree unit and is one of the thirty two compulsory units of the Bachelor of Accounting program. I hope you will find the unit enriching, interesting, satisfying and rewarding.

### **2.0 Unit Description**

Corporate Financial Management 1 will introduce students to the concepts and principles of financial management in a corporation or public company. The Unit will introduce the roles financial managers play in the daily operation of a company and how their role could impact activities of other internal and external stakeholders of the company. It is a unit that mixes theory with practice; learners will be challenged to apply the principles, concepts and framework to real world situations.

Specifically, Corporate Financial Management is concerned with making decisions about alternative sources and uses of funds. It involves the questions by how business measure profitability of committing funds in one direction as opposed to another. The course focuses on how companies evaluate and make decisions regarding accessing funds from different sources to different projects. This course is offered in two parts: Corporate Financial Management 1 and Corporate Financial Management 2.

Corporate Financial Management I covers an overview of financial management, financial markets, institutions, and interest rates, financial statement analysis, time value of money and DCF techniques, risk and rates of return, bond and share valuation, working capital policy, and marketable securities management.

### **3.0 Key graduate attributes addressed**

*Professional knowledge* – achieve levels of knowledge and skill appropriate to entering and maintaining employment and to continuing career development in their chosen professional area through their commitment to lifelong learning.

*Social Responsibility* – accept the responsibilities that accompany the privilege of an education and display willingness to serve the needs of society through application of their disciplinary knowledge and professional skills

#### **4.0 Content**

The unit has 9 chapters divided into 5 parts. These include:

##### **Part 1: Introduction to Corporate Financial Management**

- *CH1: Introduction to Corporate Financial Management*
- *CH2: Financial Market Environment*

##### **Part 2: Financial Tools**

- *CH3: Financial Statement Reporting and Ratio Analysis*
- *CH4: Time Value of Money*

##### **Part 3: Valuation of Financial Assets**

- *CH5: Interest Rates & Bond Evaluation*
- *CH6: Stock Valuation*

##### **Part 4: Risk & Required Rate of Return**

- *CH7: Risk and Return*

##### **Part 5: Long-Term Investment Decisions**

- *CH8: Methods of Project Evaluation*
- *CH9: Application of Methods of Evaluation*

#### **5.0 Teaching and learning strategies**

Teaching and learning strategies include lectures, tutorials, pairs and small group discussions, guest speakers, case study analysis and presentations.

#### **6.0 Learning Targets/Outcomes**

On successful completion of this course, students will be able to understand the following:

- 6.1. The nature of financial management and its importance to the success of a company
- 6.2. The importance of Financial Markets, Financial Institutions, Monetary Policy and Interest Rates in an economy
- 6.3. Various theories and Structure of Interest Rates
- 6.4. Nature, characteristics and use of financial statements as a financial reporting and planning system
- 6.5. The concept of time value of money and the discounted cash flow techniques
- 6.6. Methods of valuing Financial Assets
- 6.7. The relationship between risk and rate of return
- 6.8. Management of Cash and other Marketable Securities

To meet these outcomes, students are strongly recommended to follow the learning hour's guidelines given above. Self-directed learning comprises all the recommended readings, writing workshop reports, doing your tutorial exercises, doing your assignments, and your revision. The hours indicated for these are indicative only. You need to pace your own self-directed learning.

#### **7.0 Teaching and learning strategies**

The unit employs several learning approaches. Traditional lectures, tutorial discussions, case discussions, guest speakers, readings, group presentations, group discussions and individual

study as well as research are all used. Great emphasis is put on ‘being involved’ since there is much evidence pointing to the importance of this if the learning objectives of the unit are to be achieved. Your involvement in the unit could be demonstrated in different ways: by participating in the activities as well as by continuous regular consultations with your lecturers and tutors.

## 8.0 Resources

Students are recommended to have access to the following learning resources in order to satisfactorily pass the unit.

### 8.1 Prescribed Text Book

8.1.1. Peirson, G. et.al, *Business Finance*, 12<sup>th</sup> Edition, McGraw Hill

### 8.2 Other Reference Books and Journals

8.2.1. Gitman, L.J. & Zutter, C.J. (2012), *Principles of Managerial Finance*, (13th Edition). Pearson: UK

Additional Readings are available on-line in the unit page in the E-learning module. Always visit the library for additional text book readings and journals on the subject.

### 8.3 Supplementary Materials

Supplementary notes will either be given during the lectures or placed on Moodle. Can always surf the internet for further readings and consult newspapers and reports for further readings:

### 8.4 Moodle

The Modular Object Oriented Dynamic Learning Environment is a free, open source learning management system that enables you to create a more effective learning and teaching online experiences. For more information, contact SINU ITC team for Moodle accessibility. This is mandatory.

## 9.0 Unit Content Schedule and Reading References

WEEK	CONTENT	HOURS
1	<b>Part 1. Introduction to Corporate Financial Management</b>	
	<b>I. CH1: The Role of Corporate Financial Management</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1

	<b>Readings:</b>	
	1. CH1 Lecture Note	1
	2. Peirson, G. et.al, Chapter 1	2
	3. Additional Introductory Readings	1
	<b>Other activities</b> : Tutorial Preparation	2
	<b>Assessment due:</b> Nil	
	Recommended Self Learning Hours (Including Reading Time)	<b>6</b>
<b>2</b>	<b>II. CH2: Financial Market Environment</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH2 Lecture Note	1
	2. Peirson, G. et.al, Chapter 2	2
	3. Additional Readings	1
	<b>Other Activities:</b> Tutorial preparations	1
	<b>Assessment due:</b> Nil	
	Recommended Self Learning Hours (Including Reading Time)	<b>5</b>
<b>3</b>	<b>Part 2. Financial Tools</b>	
	<b>III. CH3: Financial Statement Reporting &amp; Ratio Analysis</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH3 Lecture Note 1	2
	2. Peirson, G. et.al, Appendix 21.1	1
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial preparation	1
	<b>Assessment:</b> Issue Assessment 1 / Readings and start Assessment 1	2
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
<b>4</b>	<b>IV. CH3: Financial Statement Reporting &amp; Ratio Analysis (cont.)</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH3 Lecture Note 2	1
	2. Peirson, G. et.al, Appendix 21.1	2
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial Preparation	1
	<b>Assessment</b> : Work on Assessment 1	3
	Recommended Self Learning Hours (Including Reading Time)	<b>8</b>
<b>5</b>	<b>V. CH4: Time Value of Money</b>	
	No. of Lectures	2
	Tutorials	2

	Consultation	1
	<b>Readings:</b>	
	1. CH4 Lecture Note	1
	2. Peirson, G. et.al, Chapter 3 & 4	2
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial Preparations	1
	<b>Assessment:</b> Work on Assessment 1	2
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
6	<b>Part 3. Valuation of Financial Assets</b>	
	<b>VI. CH5: Interest Rate &amp; Bond Valuation</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH5 Lecture Note	2
	2. Peirson, G. et.al, Chapter 10	1
	3. Additional Readings	
	<b>Other activities:</b> Tutorial Preparation/Assessment 1/Other Readings	1
	<b>Assessment:</b> Finalize and Submit Assessment 1	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
	<b>Assessment 1 due:</b> Assessment 1 Due (10%)	
7	<b>VII. CH6: Stock Valuation</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH6 Lecture Note	2
	2. Peirson, G. et.al, Chapter 9	
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial Preparation/Other Readings	1
	<b>Assessment:</b> Mid Semester Test Preparation	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
8	<b>MID SEMESTER BREAK</b>	<b>10</b>
	- <i>Consultation</i>	2
	- <i>Revision and study for mid semester test</i>	8
9	<b>Part 4. Risk &amp; Required Rate of Return</b>	
	<b>VIII. CH7: Risk &amp; Return</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH7 Lecture Note 1	2
	2. Peirson, G. et.al, Chapter 7	
	3. Additional Readings	1

	<b>Other activities:</b> Tutorial Preparation	1
	<b>Assessment 2: Mid Semester Test – preparing &amp; sitting the test</b>	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
<b>10</b>	<b>IX. CH7: Risk &amp; Return (cont.)</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH7 Lecture Note 2	2
	2. Peirson, G. et.al, Chapter 7	
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial preparation/Other Readings	1
	<b>Assessment 3/4:</b> Issue, readings & commence Assessment 3	2
	Recommended Self Learning Hours (Including Reading Time)	<b>6</b>
<b>11</b>	<b>Part 5. Long-Term Investment Decisions</b>	
	<b>X. CH8: Methods of Project Evaluation</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH8 Lecture Note 1	2
	2. Peirson, G. et.al, Chapter 5	
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial activities preparation	1
	<b>Assessment 3/4 readings/working &amp; Case Study 3 Due 2%</b>	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
<b>12</b>	<b>XI. CH8: Methods of Project Evaluation (cont.)</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH8 Lecture Note 2	2
	2. Peirson, G. et.al, Chapter 5	
	3. Additional Readings	1
	<b>Other activities:</b> Tutorial preparation/Other Readings	1
	<b>Assessment 3/4 readings &amp; workings</b>	2
	Recommended Self Learning Hours (Including Reading Time)	<b>6</b>
<b>13</b>	<b>XII. CH9: Application of Methods of Evaluation</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH9 Lecture Note	2
	2. Peirson, G. et.al, Chapter 6	



	3. Additional Readings	1
	<b>Other activities: Tutorial preparation/Other Readings</b>	1
	<b>Assessment 3/4 readings/working</b>	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
<b>14</b>	<b>XIII. CH9: Application of Methods of Evaluation (cont.)</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. CH9 Lecture Note	2
	2. Peirson, G. et.al, Chapter 6	
	3. Additional Readings	1
	<b>Other activities: Tutorial preparation/Other Readings</b>	1
	<b>Assessment 3/4 readings/working</b>	3
	Recommended Self Learning Hours (Including Reading Time)	<b>7</b>
<b>15</b>	<b>XIV. Summary</b>	
	No. of Lectures	2
	Tutorials	2
	Consultation	1
	<b>Readings:</b>	
	1. Additional Readings	1
	<b>Other activities: Tutorial &amp; Revision Activities</b>	2
	Recommended Self Learning Hours (Including Reading Time)	5
<b>16</b>	<b>REVISION, STUDY &amp; EXAMS</b>	<b>10</b>
	- Consultation	2
	- Revision and Study for final exam	8
<b>17</b>	<b>Examination Week 1</b>	<b>10</b>
<b>18</b>	<b>Examination Week 2</b>	<b>10</b>

## 10.0 ASSESSMENT GRID

No	Task	Assessment Method	Weight (%)	Venue / Submission	Due Date
1	Assessment 1	Major Assignment 1	10 %	Moodle/Assignment Box/Office	Week 7
2	Assessment 2	Mid Semester Test	20 %	TBC	Week 9

		(Closed Book)			
3	Assessment 3	Major Assignment 2	15 %	Moodle/Assignment Box/Office	Week 13
4	Assessment 4	Homework	10%	Moodle/Assignment Box/Office	Week 4, Week 11, Week 14
5	Assessment 5	Lecture & Tutorial Participation (Must attend 80%)	5%	In Class	Weekly
6	Exam	Final Exam	40%	TBC	End of Semester
		<b>TOTAL</b>	<b>100%</b>		

### 11.0 Pass Criteria

To pass this unit, students must satisfy the following requirements:

1. Submit all assessable work
2. Obtain at least a total score of 30% of the continuous assessment
3. Obtain at least a total score of 20% of the final examination
4. Obtain at least 50% of the overall mark satisfying criteria 1 to 3.

### 12.0 GRADING SYSTEM

Grade	Marks (%)		Grade Points
A+	90-100	High Distinction	4.33-5.00
A	85-89	Distinction	4.00-4.27
A-	80-84	Distinction	3.73-3.93
B+	75-79	High Credit	3.33-3.60
B	70-74	Credit	3.00-3.27
B-	65-69	Credit	2.67-2.93
C+	60-64	Pass	2.33-2.60
C	55-59	Pass	2.00-2.27
C-	50-54	Pass	1.67-1.93
D+	45-49	Fail	1.33-1.60
D	40-44	Fail	1.00-1.27

D-	35-39	Fail	0.67-0.93
E	Below 35	Fail	0
DNQ	Did Not Qualify: Did not meet other specified conditions for a pass	Fail	0
F(X)	Consistent plagiarism, cheating or collusion	Fail	0
RPL	Recognition of Prior Learning		0
RCC	Recognition of Current Competencies		0
W	Withdrawn from Unit		0
CT	Credit Transfer	Cross credit (CT)	0
NV	Null & Void for Dishonest practice		0
I	Result withheld/Incomplete assessment		0
X	Continuing course		0
DNC	Did Not Complete		0
STC	Still to Complete		0
CP	Compassionate Pass		0
Aeg	Aegrotat Pass		0
PT	Pass Terminating		0
P	Pass		0
NP	Not Passed		0

### **Notes:**

- The result sheet shall record the % mark of the student, the respective grade point, and the cumulative grade point to the time of the result notification.
- The conversion from a mark to a grade point is as follows: for each mark less than 100, subtract from 5 the difference between 100 and the mark obtained multiplied by a factor of 0.066667. (For example:  $5 - ([100 - \text{mark obtained}] * 0.066667)$ . Thus, for a mark of 90%, the GP =  $5 - ([100 - 90] * 0.066667) = 4.33$ . Or for a mark of 54, the GP =  $5 - ([100 - 54] * 0.066667) = 1.933$ .) Schedule III of the Academic Policies provides the full conversions for all marks.
- The formula for calculating GPA is:  $\sum X_i (Y_i)$   
where  $X_i$  is grade point in unit  $i$ , and  $Y_i$  = (credit point in unit  $i$  as % of total credit points for units done to the time of calculation of the GPA, irrespective of whether passed or failed).
- GPA's, calculated as the sum on the grade points weighted by the credit points in each unit/course, include all units/courses that record a mark (%) or a letter grade ranging from A+ to E and including DNQ.
- Grade points for credits transferred shall not be included in the calculation of GPA's.

Can always refer to SINU Student Handbook and SINU Academic Policy

## **13.0 DISSATISFACTION OF ASSESSMENT**

Refer to SINU Academic Policy (Section 50 – page 32)

## **14.0 SUPPLIMENTARY ASSESSENT**

Refer to SINU Academic Policy (Section 51 – page 33)

## **15.0 Plagiarism and Dishonest Practice**

Refer to SINU Academic Policy (Section 56 – page 35)

## **16.0 STUDENT RESPONSIBILITIES**

Students are expected to attend lectures, tutorials and other sessions proposed for the course. Resources will be posted online through Moodle for students' access. It is highly recommended that you prepare for each class and tutorial by reading the material prior to class. From time to time there will also be reading materials provided in class, other than lecture notes. Please use the library and websites and Google searches for important tools which can enhance your study, assignment researches and examination preparations.

## **17.0 CLASS ATTENDANCE AND PARTICIPATION**

Attendance and participation in class discussion and activities are expected of all students enrolled in this class. Attendance roll will be taken regularly and at any moment during each class meeting. 5% is awarded for tutorial participation out of the whole mark. Students must be present and participating in class discussion and activities in order to obtain credits. If you have trouble turning in an assignment to the instructor on time, it is your responsibility to inform your instructor of this fact before the due date. If you don't, you may be subject to point loss. Late work may be refused or accepted with some point loss at the discretion of the instructor.

Work early in the week to ensure that you can get things done in a timely manner. If you plan to become a leader and manager it is important that you learn some of the essential values of the organizational communication. Three of the most important values are those of self-motivation, dependability, and participation.

## **18.0 SPECIAL CONSIDERATION**

Please advise staff if you have any type of documented disability so that we may be able to assist in accommodating any special needs you may have. Special-need students may also contact Office of Academic Services.