



## UNSW Course Outline

# FINS5511 Corporate Finance - 2024

Published on the 14 Feb 2024

## General Course Information

Course Code : FINS5511

Year : 2024

Term : Term 1

Teaching Period : T1

Is a multi-term course? : No

Faculty : UNSW Business School

Academic Unit : School of Banking and Finance

Delivery Mode : In Person

Delivery Format : Standard

Delivery Location : Kensington

Campus : Sydney

Study Level : Postgraduate

Units of Credit : 6

### Useful Links

[Handbook Class Timetable](#)

## Course Details & Outcomes

### Course Description

This course is an introductory course in financial management. It stresses the modern fundamentals of corporate financial decision making with special reference to investment, financing and dividend distribution. While building upon introductory courses in accounting, economics and quantitative analysis the course develops distinctive conceptual frameworks and

specialised tools for solving real world financial problems at both the individual and corporate level. The course is a blend of theory and practice. While diligent practice will make you competent in financial techniques, a good grasp of theory will help you think systematically about ways to solve a problem for which no existing technique is suitable or available.

## **Course Aims**

This course aims to introduce students to the essential aspects of financial decision-making in business. It covers basic techniques in making investment, financing, and payout decisions. It involves a comprehensive team assignment that integrates the core concepts of the course in a practical way.

## **Relationship to Other Courses**

Corequisite: ACCT5930 and (ECON5103 or ECON5258)

This course is designed to introduce essential aspects of financial decision-making in business. It aims to provide basic techniques which cover investment decisions, financing decisions and dividend decisions. This course is a core requirement for those who undertake a Master of Professional Accounting and the prerequisite/corequisite courses are ACCT5930 and ECON5103. For those who undertake a Master of Commerce, the corequisite courses are COMM5001, COMM5002 and COMM5003. This course is closely related to FINS5516 but it has a strong focus on the Australian capital market.

## Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Analyse using investment decision rules the financial value of corporate securities and projects.	<ul style="list-style-type: none"> <li>• PL01 : Business Knowledge</li> <li>• PL02 : Problem Solving</li> </ul>
CLO2 : Evaluate the fundamental value drivers of corporate securities and projects in terms of business nature, risk and return trade-offs, capital structure, cost of capital, and payout policies.	<ul style="list-style-type: none"> <li>• PL01 : Business Knowledge</li> <li>• PL02 : Problem Solving</li> <li>• PL03 : Business Communication</li> </ul>
CLO3 : Construct Excel financial models to forecast cash flows for recommendations for investment proposals.	<ul style="list-style-type: none"> <li>• PL01 : Business Knowledge</li> <li>• PL02 : Problem Solving</li> <li>• PL03 : Business Communication</li> </ul>
CLO4 : Collaborate in teams and positively influence team members to solve complex problems and pitch investment recommendations.	<ul style="list-style-type: none"> <li>• PL03 : Business Communication</li> <li>• PL04 : Teamwork</li> <li>• PL05 : Responsible Business Practice</li> <li>• PL07 : Leadership Development</li> </ul>
CLO5 : Analyse individually and in teams the investment recommendations and evaluate their worth.	<ul style="list-style-type: none"> <li>• PL04 : Teamwork</li> <li>• PL06 : Global and Cultural Competence</li> <li>• PL07 : Leadership Development</li> </ul>

Course Learning Outcomes	Assessment Item
CLO1 : Analyse using investment decision rules the financial value of corporate securities and projects.	<ul style="list-style-type: none"> <li>• Team Assignment</li> <li>• Online Assessments</li> <li>• Final Exam</li> </ul>
CLO2 : Evaluate the fundamental value drivers of corporate securities and projects in terms of business nature, risk and return trade-offs, capital structure, cost of capital, and payout policies.	<ul style="list-style-type: none"> <li>• Team Assignment</li> <li>• Online Assessments</li> <li>• Final Exam</li> </ul>
CLO3 : Construct Excel financial models to forecast cash flows for recommendations for investment proposals.	<ul style="list-style-type: none"> <li>• Team Assignment</li> <li>• Online Assessments</li> <li>• Final Exam</li> </ul>
CLO4 : Collaborate in teams and positively influence team members to solve complex problems and pitch investment recommendations.	<ul style="list-style-type: none"> <li>• Team Assignment</li> </ul>
CLO5 : Analyse individually and in teams the investment recommendations and evaluate their worth.	<ul style="list-style-type: none"> <li>• Team Assignment</li> </ul>

## Learning and Teaching Technologies

Moodle - Learning Management System | Zoom

## Learning and Teaching in this course

Our teaching philosophy is to equip students with skills to learn and think critically. We believe that an effective approach to teaching is to inspire students through engaging their interest and enthusiasm and helping them to actively engage in the learning process. To achieve this, we introduce in-class exercises and a comprehensive Team Assignment in which students integrate what they learn in a live valuation exercise of a publicly listed company.

We encourage students to form small groups to discuss questions, problems, and issues surrounding each topic. Learning cooperatively with peers rather than in an individualistic or competitive way always helps students to develop interpersonal, professional and cognitive skills to a higher level.

Students will also need to form groups of 4-5 students to work on the Team Assignment and discuss questions, problems, and issues surrounding each topic.

## Assessments

### Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Team Assignment Assessment Format: Group	40%	Start Date: See detailed assessment description Due Date: See detailed assessment description	<ul style="list-style-type: none"><li>• PL01 : Business Knowledge</li><li>• PL02 : Problem Solving</li><li>• PL03 : Business Communication</li><li>• PL04 : Teamwork</li><li>• PL05 : Responsible Business Practice</li><li>• PL07 : Leadership Development</li></ul>
Online Assessments Assessment Format: Individual	35%	Start Date: See detailed assessment description Due Date: See detailed assessment description	<ul style="list-style-type: none"><li>• PL01 : Business Knowledge</li><li>• PL02 : Problem Solving</li></ul>
Final Exam Assessment Format: Individual	25%	Start Date: Final Exam Period Due Date: Final Exam Period	<ul style="list-style-type: none"><li>• PL01 : Business Knowledge</li><li>• PL02 : Problem Solving</li></ul>

## Assessment Details

### Team Assignment

#### Assessment Overview

The team assignment is a comprehensive assessment that integrates all the core valuation and financial knowledge and skills of the course. A maximum of 30% of the grade is a group grade while a smaller remaining portion is an individual grade.

Assesses: PL01, PL02, PL03, PL04, PL05, PL07

## Course Learning Outcomes

- CL01 : Analyse using investment decision rules the financial value of corporate securities and projects.
- CL02 : Evaluate the fundamental value drivers of corporate securities and projects in terms of business nature, risk and return trade-offs, capital structure, cost of capital, and payout policies.
- CL03 : Construct Excel financial models to forecast cash flows for recommendations for investment proposals.
- CL04 : Collaborate in teams and positively influence team members to solve complex problems and pitch investment recommendations.
- CL05 : Analyse individually and in teams the investment recommendations and evaluate their worth.

## Detailed Assessment Description

Weight	Assessment Name	Due Date / Timing
2%	Team Assignment (2nd Deliverable)	Weeks 7, Tuesday
28%	Team Assignment (3rd to 6th Deliverables)	Weeks 11, Mon - Fri
10%	Individual Assignment (7th Deliverable)	Week 12, Wed

### **Team Assignment (30%)**

Students form teams of 4-5 members and work together to choose, analyse, and value the stock of publicly listed company. Teams need to build a financial model and forecast future cash flows using real data of the company. While doing so, you will learn in an integrated holistic way the theoretical and practical concepts of this course. There will be various milestones due during the term to assist students in breaking up this assessment task. Teams present a stock pitch to investors (other students) to convince them who has made the best analysis. Investors (students) ask questions of the teams and then evaluate other teams. Unless otherwise determined, all students in the same team will get the same grade. There are a number of different "deliverables" that teams need to complete. More details available in Moodle.

### **Individual Assignment (10%)**

The individual assignment requires each student to critically evaluate their team assignment's investment thesis. Each student should hand in a separate piece of work. More details available in Moodle.

### Submission notes

See detailed assessment description

## Online Assessments

### Assessment Overview

The online assessments assess the application of financial mathematics and other numerical techniques that form the core of corporate finance.

Assesses: PLO1, PLO2

### Course Learning Outcomes

- CL01 : Analyse using investment decision rules the financial value of corporate securities and projects.
- CL02 : Evaluate the fundamental value drivers of corporate securities and projects in terms of business nature, risk and return trade-offs, capital structure, cost of capital, and payout policies.
- CL03 : Construct Excel financial models to forecast cash flows for recommendations for investment proposals.

### Detailed Assessment Description

Weight	Assessment Name	Due Date / Timing
0%	Homework Assignments	Do weekly to prepare for Mid-term Quiz and Final Exam
25%	Mid-term Quiz	Week 6, Tuesday 6:00 PM (19 March, <u>in-class</u> , <u>in-person</u> )
10%	Final Exam Part 2	Final Exam Period (Moodle online, from home)

### Homework Assignments (0%)

There are online Homework Assignments and Practice Problems to help you learn the material. Doing them do not count for any grades but you are *highly encouraged* to attempt all of them. The Mid-term Quiz will contain questions that are similar to the Week 1-5 Homework Assignments and Practice Problems. The Final Exam will also contain questions that are similar to the Week 1-9 Homework Assignments and Practice Problems with an emphasis on Week 6-9. You are encouraged to attempt the Homework Assignments and Practice Problems on a *weekly basis* to practice what you learn.

### Mid-term Quiz (25%)

The Mid-term Quiz will be conducted in-class time, in-person and consists of problems that are quite similar in style and difficulty as the Homework Assignments and Practice Problems. Doing the Homework Assignments and Practice Problems will be good preparation. The Quiz assesses the material of Weeks 1-5. The time length will be approximately 1 hour.

The format will be an online Moodle Quiz, similar to the Homework Assignments. Bring your computer. It is open book. You can take your notes, access the files on your computer, use Excel, etc.

### **Final Exam Part 2 (10%)**

This will be conducted together with the Final Exam Part 1 (25%). See detailed assessment description for Final Exam.

#### **Submission notes**

See detailed assessment description

## **Final Exam**

#### **Assessment Overview**

The final examination assesses the financial knowledge and skills taught in the latter part of the course.

Assesses: PLO1, PLO2

#### **Course Learning Outcomes**

- CLO1 : Analyse using investment decision rules the financial value of corporate securities and projects.
- CLO2 : Evaluate the fundamental value drivers of corporate securities and projects in terms of business nature, risk and return trade-offs, capital structure, cost of capital, and payout policies.
- CLO3 : Construct Excel financial models to forecast cash flows for recommendations for investment proposals.

#### **Detailed Assessment Description**

<b>Weight</b>	<b>Assessment Name</b>	<b>Due Date / Timing</b>
25%	Final Exam Part 1	
10%	Final Exam Part 2	

The Final Exam has two parts. Both Part 1 and 2 will be taken together so there is only one final exam worth a total of 35%. The time length is approximately 2 hours. The format will be similar to the Mid-term Quiz except that it is done online, from anywhere. It tests all the material of the course from Weeks 1-10 but the emphasis will be on Weeks 6-9. The Final Exam is open book. You can use your notes, access the files on your computer, use Excel, etc.

If you fail to sit the examination at the scheduled time, there is NO guarantee that a supplementary examination will be provided. Ensure that you have arranged leave from so you can take the Final Exam on time. You may not be granted a supplementary exam for poor attendance.

### Submission notes

See detailed assessment description

## General Assessment Information

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

### Grading Basis

Standard

### Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details

- Meet the specified attendance requirements of the course (see Schedule section)

## Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 12 February - 18 February	Lecture	Introduction and Financial Mathematics Berk DeMarzo Ch 1, 3, 4, 5 (Selected parts)
Week 2 : 19 February - 25 February	Lecture	Securities Valuation Berk DeMarzo Ch 6 and 9 (Selected parts)
Week 3 : 26 February - 3 March	Lecture	Investment Decision Rules & Valuation Methods Berk DeMarzo Ch 7
Week 4 : 4 March - 10 March	Lecture	Capital Budgeting 1 (Cash Flow Estimation) Berk DeMarzo Ch 8
Week 5 : 11 March - 17 March	Lecture	Capital Budgeting 2 (Cash Flow Forecasting) Berk DeMarzo Ch 18 and 19 (Selected parts)
Week 6 : 18 March - 24 March	Assessment	Mid-term Quiz -- taken in-class time, in-person
	Lecture	Risk and Return Berk DeMarzo Ch 10 and 11 (Selected parts)
Week 7 : 25 March - 31 March	Lecture	Cost of Capital Berk DeMarzo Ch 12
	Assessment	Team Assignment (2nd Deliverable)
Week 8 : 1 April - 7 April	Lecture	Capital Structure Berk DeMarzo Ch 14, 15, 16 (Selected parts)
Week 9 : 8 April - 14 April	Lecture	Payout Policy Berk DeMarzo Ch 17
Week 10 : 15 April - 21 April	Assessment	Final Exam -- taken in-class, in-person
Week 11 : 22 April - 28 April	Assessment	Team Assignment - Third Deliverable -- submit presentation - Fourth Deliverable -- ask questions - Fifth Deliverable -- give presentation (online) - Sixth Deliverable -- give feedback - Seventh Deliverable -- Individual Assignment

## Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

## Course Resources

### Prescribed Resources

#### Prescribed Textbook

Berk, J., and DeMarzo P., Corporate Finance, 5th Edition (Global Edition), Pearson, 2019.  
(ISBN: 9781292304151)

UNSW Bookshop has the text [available through this link](#)

## Recommended Resources

#### Recommended Textbooks

Brigham, E.F. and Huston J.F., Fundamentals of Financial Management (Concise Edition), 10th edition, Cengage Learning, 2019.

Brealey, R., Myers, S., and Allen, F., Principles of Corporate Finance, 13th edition, McGraw-Hill, 2020.

## **Required Readings**

It is useful to read the stated chapters of the textbook Berk and DeMarzo and other references or readings, before lectures. This material, as well as the lectures, essentially defines the examinable content of the course. In addition to the assigned reading, you should keep informed of business and financial matters by reading the Australian Financial Review, Business Review Weekly, Australian Business and Personal Investment, during the session. Business Sunday broadcast on Channel 9 Sunday morning may also be of interest. This exposure should help you appreciate how finance theory can be applied to practical issues.

## **Website**

The course Moodle site is the primary source of information for you in this course. It can be reached at <http://moodle.telt.unsw.edu.au>.

The site will provide information on any announcements, timetable changes, lecture notes, practical problems, solutions and other information. Students are required to check it regularly.

## **World Wide Web Resources**

Students should also check out the financial information available on the internet. The following sites should also be of interest:

- Regulators
- [Australian Securities & Investments Commission](#)
- [U.S. Securities Exchange Commission](#)
- Newspapers, magazines and journals
- [Australian Financial Review](#)

- Business Review Weekly
- [Wall Street Journal](#)
- [Business Week](#)
- CNN Financial Network
- [Journal of Finance](#)
- Exchanges
- [Australian Stock Exchange](#)
- Sydney Futures Exchange
- [New York Stock Exchanges](#)
- Chicago Board of Trade
- [Chicago Mercantile Exchange](#)

## Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey, which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Convenor	Ian Kwan		Room 314 Level 3 West Lobby UNSW Business School (E12)	+61 2 9065 7529	Fridays 8:45 to 10:30	Yes	Yes

# Other Useful Information

## Academic Information

### COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [key policies and support](#) page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

### STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [key policies and support](#) page. For PG Research PLOs, including MPDBS, please refer to the [UNSW HDR Learning Outcomes](#).

## Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the

process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

## Submission of Assessment Tasks

### SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Students studying remotely who have exams scheduled between 10pm and 7am local time, are also able to apply for special consideration to sit a supplementary exam at a time outside of these hours.

Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable. To apply, and for further information, see Special Consideration on the UNSW [Current Students](#) page.

Special consideration applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application.

Please note the following:

1. Applications can only be made through Online Services in myUNSW (see the UNSW [Current Students](#) page). Applications will not be accepted by teaching staff. The lecturer-in-charge/course coordinator will be automatically notified when your application is processed.
2. Applying for special consideration does not automatically mean that you will be granted a supplementary exam or other concession.
3. If you experience illness or misadventure in the lead up to an exam or assessment, you must submit an application for special consideration, either prior to the examination taking place, or prior to the assessment submission deadline, except where illness or misadventure prevent you from doing so.
4. If your circumstances stop you from applying before your exam or assessment due date, you must apply within 3 working days of the assessment or the period covered by your supporting documentation.

5. Under the UNSW Fit To Sit/Submit rule, if you sit the exam/submit an assignment, you are declaring yourself well enough to do so and are cannot subsequently apply for special consideration.
6. If you become unwell on the day of – or during – an exam, you must stop working on your exam, advise your course coordinator or tutor and provide a medical certificate dated within 24 hours of the exam, with your special consideration application. For online exams, you must contact your course coordinator or tutor immediately via email, Moodle or chat and advise them you are unwell and submit screenshots of your conversation along with your medical certificate and application.
7. Special consideration requests do not allow the awarding of additional marks to students.

Further information on Business School policy and procedure can be found under “Special Consideration” on the [key policies and support](#) page.

## **LATE SUBMISSION PENALTIES**

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. An assignment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the ‘wrong’ assignment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

## **FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE**

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

## **Faculty-specific Information**

## **PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS**

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).

## **COURSE EVALUATION AND DEVELOPMENT**

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## **QUALITY ASSURANCE**

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

## **TEACHING TIMES AND LOCATIONS**

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.