



## UNSW Course Outline

# FINS2615 Intermediate Business Finance - 2024

Published on the 14 Feb 2024

## General Course Information

**Course Code :** FINS2615

**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 :** Undergraduate

**Units of Credit :** 6

### Useful Links

[Handbook Class Timetable](#)

## Course Details & Outcomes

### Course Description

This is a complete first course in corporate finance that aspires to provide students a holistic view of the principles of financial valuation and financial decision making in action. Building on the fundamental principles of valuation developed in the Integrated First Year (IFY), the course

first aims to broaden and deepen students' theoretical knowledge and practical experience in valuing more complex debt and equity assets than they have valued before. The course then aims to provide a comprehensive understanding of the relationship between financial risk and return and how this relationship in turn affects the cost of capital, capital structure, and asset values. Finally, the course extends students' practical knowledge and skills in valuing cash flows and managing working capital. Underpinning the teaching philosophy of the course is the concerted effort to develop financial literacy in the proficient use of Excel modelling, applying these skills in real world situations such as the valuation and evaluation of publicly traded stocks.

## Course Aims

The course aims to provide students with a holistic view of the principles of financial valuation and financial decision making in action. It provides a comprehensive understanding of the relationship between financial risk and return and how this relationship in turn affects the cost of capital, capital structure, and asset values. Underpinning the teaching philosophy of the course is the concerted effort to develop financial literacy in the proficient use of Excel modelling.

## Relationship to Other Courses

The pre-requisites for this course are either (COMM1180) or (COMM1140 and ECON1102). It is one of the gateway courses for the BCom Finance major.

FINS2618 (formerly FINS1612) Capital Markets and Institutions may be taken with this course as co-requisite and is complementary.

After successfully completion of this course, you will have fulfilled the pre-requisite for FINS2624 Portfolio Management, FINS3625 Applied Corporate Finance, and FINS3641 Security Analysis and Valuation.

## Course Learning Outcomes

Course Learning Outcomes
CLO1 : Analyse simple to complex corporate securities and projects to determine their financial value.
CLO2 : Evaluate corporate securities and projects to account for changes in fundamental value drivers such as risk/return, capital structure, cost of capital, and payout policies.
CLO3 : Construct models that forecast cash flows and manage working capital using Excel to evaluate investment proposals.
CLO4 : Collaborate in teams to solve complex problems and communicate investment decisions.

Course Learning Outcomes	Assessment Item
CLO1 : Analyse simple to complex corporate securities and projects to determine their financial value.	<ul style="list-style-type: none"> <li>• Individual Assignments</li> <li>• Group Assignments</li> <li>• Final Exam</li> </ul>
CLO2 : Evaluate corporate securities and projects to account for changes in fundamental value drivers such as risk/return, capital structure, cost of capital, and payout policies.	<ul style="list-style-type: none"> <li>• Individual Assignments</li> <li>• Group Assignments</li> <li>• Final Exam</li> </ul>
CLO3 : Construct models that forecast cash flows and manage working capital using Excel to evaluate investment proposals.	<ul style="list-style-type: none"> <li>• Individual Assignments</li> <li>• Group Assignments</li> <li>• Final Exam</li> </ul>
CLO4 : Collaborate in teams to solve complex problems and communicate investment decisions.	<ul style="list-style-type: none"> <li>• Group Assignments</li> </ul>

## Learning and Teaching Technologies

Moodle - Learning Management System | Zoom | Echo 360

### Learning and Teaching in this course

This course consists of weekly a two-hour lecture and a one-and-a-half hour tutorial. The material covered in the tutorial immediately follows the material covered in the lecture of the same week.

Lectures develop both theoretical and practical knowledge and skills of the course topics.

Tutorials start in Week 1. They review lecture material and work through problems and practical applications. Students are required to contribute to group discussions. The tutorials are designed to be interactive and help build understanding through application of knowledge. They provide an opportunity to discuss any difficult concepts with the tutor and peers, and hence gain an indication of one's own progress.

Students will be given continuous feedback on their progress throughout the term in the tutorials and through quizzes. In addition, students will be graded on participation during the tutorials and their contribution to the online forums, as well as on their performance during the mid-term quiz and final exam.

In the first weeks of term, students will be asked to form teams of 4-5 students who are in the same tutorial group. Each team will work together on the Team Assignment for the rest of the

term.

# Assessments

## Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Individual Assignments Assessment Format: Individual	40%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO5 : Responsible Business Practice</li></ul>
Group Assignments Assessment Format: Group	30%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO4 : Teamwork</li><li>• PLO7 : Leadership Development</li></ul>
Final Exam Assessment Format: Individual	30%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO5 : Responsible Business Practice</li></ul>

## Assessment Details

### Individual Assignments

#### Assessment Overview

The individual assignments and mid-term quiz assess students' understanding of the valuation knowledge and skills and use of financial mathematics.

Assesses: PLO1, PLO2, PLO3, PLO4, PLO5

#### Course Learning Outcomes

- CLO1 : Analyse simple to complex corporate securities and projects to determine their financial value.
- CLO2 : Evaluate corporate securities and projects to account for changes in fundamental value drivers such as risk/return, capital structure, cost of capital, and payout policies.
- CLO3 : Construct models that forecast cash flows and manage working capital using Excel to evaluate investment proposals.

### Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
0%	Homework Assignments Exam	Do weekly to prepare for Mid-term Quiz and Final
5%	CFA Ethics (online, self-study) April)	Week 7 and 10, Friday 11:55 PM (29 March, 19
25%	Mid-term Quiz (Moodle)	Week 8, Monday 7:30 PM (1 April)
10%	Tutorial contribution	Week 10, Friday 11:55 PM (19 April)

#### **Homework Assignments 0%:**

The Homework Assignments and Practice Questions are similar in style and difficulty to the Mid-term and Final Exam. It is very important that you do them. They are accessed online via Moodle in a separate Homework Assignment folder. You are *strongly encouraged* to attempt all the Homework Assignment Questions. You are also encouraged to *do them weekly* to practice the weekly lecture and tutorial content you are learning. Do not leave your practice to just before the Mid-term or Final Exam as you will not be able to absorb it all in such a short time.

#### **CFA Ethics (online, self-study) 5%:**

How does a finance professional conduct themselves ethically in the complex world of finance? The Institute of Chartered Financial Analysts or CFA Institute has provided the CFA Ethics online learning laboratory to teach ethical principles in finance. Students are required to self-study the online modules. Please see Moodle on how to gain online access. Access will be granted from mid-Week 3 onwards.

**Important:** While 5% is allocated to completing the modules, CFA Ethics is further assessed in the Mid-term Quiz and Final Examination. This means that in practical terms CFA Ethics is worth much more than the 5%.

#### **Mid-term Quiz 20%:**

Students can expect that questions in this assessment to be similar in difficulty and style as those in the Homework Assignments and Practice Questions of Weeks 1-5. It will include

questions from the CFA Ethics modules. This assessment will be conducted fully online via Moodle at the day and time in the table above.

**Important:** See the Requirements to pass this course - if you fail BOTH the Mid-term Quiz AND the Final Exam, you will automatically fail the course.

#### Tutorial contribution 10%:

The tutorial contribution grade will be given by your tutor. The grade depends on your (1) in-class tutorial contributions and (2) voluntary online Moodle forums contributions. Tutorials aim to build basic understanding of the lecture material so that afterwards, you can attempt the Homework Assignments with confidence. Tutorials involve individual and team-based exercises and tutors will give grades based on your in-class contributions.

While the main way to earn grades is through in-class tutorial contributions, students can increase this grade by participating in the online Moodle forums in a meaningful way. This includes: asking insightful questions, answering the questions of other students thoughtfully and respectfully, posting additional information that builds interest and collective knowledge, etc. By the Tutorial Contribution deadline in the table above, you can *voluntarily submit* to your tutor the Moodle links to your online forum posts as evidence of online contributions for your tutor to assess whether or not your tutorial contribution grade can be increased.

You must attend the tutorial that follows the lecture as the tutorial content is about the lecture content of that week. For example, the Week 1 tutorial content will concern the Week 1 lecture content. If you are unable to attend the lecture before your tutorial, then contact the Lecturer in-charge at the start of term to give access to the online recorded lectures from previous terms so that you are familiar with the lecture material before going to the tutorial. To get the most out the tutorials, please complete the pre-tutorial activities if there are any.

**Important:** Tutorial attendance is compulsory. Tutorials begin in Week 1. You are permitted 2 absences without permission out of the 9 tutorials in the term. After that, each additional absence without permission will mean a 1-point deduction up to a maximum 5-point deduction.

#### Submission notes

See Detailed assessment description

#### Assignment submission Turnitin type

Not Applicable

# Group Assignments

## Assessment Overview

The Team Assignment practically assesses how a team of students integrates as a group the core knowledge and skills of the course by analysing a publicly listed stock, presenting their analysis to “investors”, and recommending buying or selling the stock.

Assesses: PLO1, PLO2, PLO3, PLO4, PLO7

BCom students: myBCom course points for PLO4 and PLO7

## Course Learning Outcomes

- CLO1 : Analyse simple to complex corporate securities and projects to determine their financial value.
- CLO2 : Evaluate corporate securities and projects to account for changes in fundamental value drivers such as risk/return, capital structure, cost of capital, and payout policies.
- CLO3 : Construct models that forecast cash flows and manage working capital using Excel to evaluate investment proposals.
- CLO4 : Collaborate in teams to solve complex problems and communicate investment decisions.

## Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
2%	Team Assignment (2nd Deliverable)	Week 5, Friday 11:55 PM (15 March)
28%	Team Assignment (3rd Deliverable)	Week 9, Friday 11:55 PM (12 April)
	Team Assignment (4th -6th Deliverable)	Week 10 and 11 (see Moodle)

Assesses: PLO1, PLO2, PLO3, PLO4, PLO7

BCom students: myBCom course points for PLO4 and PLO7

### **Team Assignment 30%:**

Working in teams of 4-5 students from the same tutorial group, you are required to deliver a stock investment recommendation of a publicly listed firm. The assignment aims to integrate many of the ideas taught throughout the course in a practical way that orientates students to develop their career in the finance industry.

Students should meet others in their tutorial at the Week 1 and choose their team members by Week 3 tutorial. The assignment is broken into several parts called Deliverables.

The definitive details of the Team Assignment are in Team Assignment Moodle folder.

#### Submission notes

See Detailed assessment description

#### Assignment submission Turnitin type

Not Applicable

### **Final Exam**

#### Assessment Overview

The final examination assesses the student's individual understanding of the latter part of the course and their knowledge of CFA Ethics in Finance.

Assesses: PL01, PL02, PL03, PL05

BCom students: myBCom course points for PL03

#### Course Learning Outcomes

- CLO1 : Analyse simple to complex corporate securities and projects to determine their financial value.
- CLO2 : Evaluate corporate securities and projects to account for changes in fundamental value drivers such as risk/return, capital structure, cost of capital, and payout policies.
- CLO3 : Construct models that forecast cash flows and manage working capital using Excel to evaluate investment proposals.

#### Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
30%	Final Exam (Moodle)	Final Examination schedule

Assesses: PL01, PL02, PL03, PL05

BCom students: myBCom course points for PL03

#### **Final Examination 30%:**

The format of this assessment will be similar to the Mid-term Quiz, conducted in Moodle online. Students can expect that questions will be similar in difficulty and style as those in the Homework Assignments and Practice Questions of Weeks 7-10. While most of the Final Exam will assess Weeks 7-10 materials, some materials of Weeks 1-5 will also be assessed. It will

include questions from the CFA Ethics. There will also be a component connected with the Team Assignment that assesses your business communication and writing.

**Important:** See the Requirements to pass this course - if you fail BOTH the Mid-term Quiz AND the Final Exam, you will automatically fail the course.

#### **Submission notes**

See Detailed assessment description

#### **Assignment submission Turnitin type**

Not Applicable

## **General Assessment Information**

#### **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 to pass the course
- To pass the Mid-term Quiz or Final Exam, you need to achieve a mark of 50 out of 100
- **Important:** Failing both the Mid-term Quiz AND Final Exam means failing the course
  
- 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	Topic: Introduction and Debt Valuation Textbook: Review of Berk Chapters 3-6 (relevant parts only)
	Tutorial	Introduction and Debt Valuation
	Homework	Moodle Assignment: Debt Valuation
Week 2 : 19 February - 25 February	Lecture	Topic: Equity Valuation Textbook: Review of Berk Chapters 7 and 10.
	Tutorial	Equity Valuation
	Homework	Moodle Assignment: Equity Valuation
Week 3 : 26 February - 3 March	Lecture	Topic: Cash Flow Estimation (Forecasting I) Textbook: Review of Berk Ch 09
	Tutorial	Cash Flow Estimation (Forecasting I)
	Homework	Moodle Assignment: Cash Flow Estimation (Forecasting I)
Week 4 : 4 March - 10 March	Lecture	Topic: Cash Flow Forecasting (Forecasting II) Textbook: Berk Ch 18
	Tutorial	Cash Flow Forecasting (Forecasting II)
	Homework	Moodle Assignment: Cash Flow Forecasting (Forecasting II)
Week 5 : 11 March - 17 March	Lecture	Topic: Working Capital Management Textbook: Berk Ch 19
	Tutorial	Working Capital Management
	Lecture	Moodle Assignment: Working Capital Management
Week 6 : 18 March - 24 March	Other	Flexibility Week - No lectures or Tutorials.
Week 7 : 25 March - 31 March	Lecture	Topic: Risk and Return - Capital Asset Pricing Model Textbook: Review Berk Ch 11 and 12
	Tutorial	Risk and Return - Capital Asset Pricing Model
	Homework	Moodle Assignment: Risk and Return - Capital Asset Pricing Model
Week 8 : 1 April - 7 April	Lecture	Topic: Cost of Capital Textbook: Berk Ch 13
	Assessment	Mid-term quiz (Moodle)
	Tutorial	Cost of Capital
	Homework	Moodle Assignment: Cost of Capital
Week 9 : 8 April - 14 April	Lecture	Topic: Capital Structure Textbook: Berk Ch 16
	Tutorial	Capital Structure
	Homework	Moodle Assignment: Capital Structure
Week 10 : 15 April - 21 April	Lecture	Topic: Payout Policy and Course Summary Textbook: Berk Ch 17
	Tutorial	Team Assignment - Investors Q&A Meeting
	Homework	Moodle Assignment: Payout Policy

## Attendance Requirements

Tutorial attendance is obligatory. They begin in Week 1. You are permitted 2 absences without permission out of the 9 tutorials in the term. After that, each further absence without permission will result in a 1-point deduction, maximum 5 point deduction.

Your regular attendance and active engagement in all scheduled classes and online learning activities is expected in this course. Failure to attend / engage in assessment tasks that are

integrated into learning activities (e.g. class discussion, presentations) will be reflected in the marks for these assessable activities. The Business School may refuse final assessment to those students who attend less than 80% of scheduled classes where attendance and participation is required as part of the learning process (e.g. tutorials, flipped classroom sessions, seminars, labs, etc.). If you are not able to regularly attend classes, you should consult the relevant Course Authority.

# Course Resources

## Prescribed Resources

*Berk, Demarzo, Harford, Ford, and Mollica, Fundamentals of Corporate Finance (2018), 3rd Edition* published by Pearson.

The textbook will be referred to as Berk (2018).

Available at the university Bookshop: [in this link](#)

Weekly lecture notes and tutorial materials will be available for download through Moodle.

## 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, 3rd Floor, West Lobby, UNSW Business Building	+61 2 9065 7529	Fridays 8:45 - 10:45 AM, Online	Yes	Yes
Tutor	Mishal Manzoor				TBA	No	No
	Wan Nur Munirah (Mun) Wan Nordin				TBA	No	No
	Phuc Nguyen				TBA	No	No
Lecturer	Tim Berger				TBA	No	No
Tutor	Cam Tu (Tu) Ho				TBA	No	No

# 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.