## Unit Outline

### School of Economics & Finance

#### College of Business

<table>
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<tr>
<th><strong>Unit Name</strong></th>
<th><strong>Corporate Financial Management</strong></th>
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<tr>
<td><strong>Unit Number</strong></td>
<td><strong>200488</strong></td>
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### Unit Coordinator/s
- **Unit Coordinator:** Dr John Ablett
- **Email:** J.Ablett@uws.edu.au
- **Phone:** (02) 4620 3252
- **Office Location:** Building: 11, Room: 11.22, Campbelltown Campus

**Note:** Students are advised not to contact the unit coordinator on his mobile phone number listed on the UWS webpage (which is intended for internal staff use). Voicemail messages can be left on the above work telephone number.

### Session
- **Spring Semester**
- **Year:** 2010

### Handbook Summary
This unit introduces the fundamental concepts of finance theory and the tools of financial decision making in the context of the Australian institutional environment. These concepts relate primarily to the time value of money, risk and return, capital budgeting and capital structure. The unit's purpose is to develop an understanding of the basic practices of financial management from the perspective of a firm (both large and small). Students examine the investment, financing and dividend decisions of corporations.

### Credit Points
- 10

### Pre-requisites
- 200101 Accounting Information for Managers OR 200103 Accounting Reports and Decisions

### Co-requisites
- Not applicable

### Incompatible/ not to be counted for credit with
- 200050 - Financial Management, 200110 - Corporate Financial Decision Making

### Unit Level
- 2

### Assumed Knowledge
- HSC Mathematics, introductory economics or microeconomics.

### Attendance Requirements
- Attendance at lectures is not obligatory. There is no requirement to attend a minimum number of tutorials, nor is there any specific tutorial participation mark in this unit. However tutorial attendance will be recorded by tutors and may be taken into account when determining the final grade of students who are borderline failures. The reasoning behind this is that no consideration should be given to students who have difficulty mastering the subject matter and yet cannot be bothered to attend tutorials where help is offered. Tutorial attendance means attendance for the full tutorial: students who arrive more than 10 minutes late or leave before the tutorial ends will be considered absent from the tutorial.

### Enrolment Restrictions
- Not applicable

### Learning Outcomes
- On completion of this unit students will be able to:
  - Explain and analyse the investment, financing and dividend decisions of corporations (both large and small)
  - Have knowledge of the sources of finance, and the financial instruments in the Australian financial environment
  - Evaluate leasing as an instrument of financing and investment
  - Demonstrate the financial techniques used to control current assets and liabilities
  - Evaluate working capital and cash management activities
  - Apply risk management tools
  - Demonstrate competence in the application of financial tools including computer applications
  - Demonstrate an understanding of the strengths and weaknesses of financial techniques
  - Apply ethical reasoning to financial matters.
Unit Content

1. Introduction to corporate financial management
2. Time Value of Money
3. Expected return and risk for individual assets and portfolios.
4. Diversification and risk.
5. The Capital Asset Pricing Model (CAPM)
6. Valuation of fixed income securities
7. Share valuation
8. Introduction to capital budgeting
9. Introduction to options
10. The cost of capital
11. Dividend policy
12. Leverage and capital structure
13. Leasing decisions

Mode of Delivery

Instruction in this unit comprises a total of three hours per week with two hours of lectures and a one-hour tutorial. Lectures will highlight the major aspects of the unit and concentrate on the more difficult technical material. Students are expected to undertake the suggested reading (and computing exercises) to consolidate and develop the material presented in lectures. The suggested reading may cover material that is not covered explicitly in lectures, but nevertheless all material covered in lectures, suggested reading and tutorials is examinable unless indicated otherwise by lecturers. Tutorials will involve discussion of distributed questions: some tutorials will also involve students performing calculations in class therefore students should ensure they bring a calculator to tutorials. There is no tutorial class in the first teaching week of semester (i.e. tutorials start in the second teaching week of semester).

Some tutorials will involve discussion of additional questions that are not given in the unit Learning Guide, nor posted on the unit webpage. These additional discussion questions are included in the examinable material for this unit.

Assessment Items and Weighting

Assessment for this unit will be based on the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weighting (%)</th>
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<tbody>
<tr>
<td>Mid-term examination</td>
<td>25%</td>
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<tr>
<td>Tutorial assignments (exercise submissions)</td>
<td>15%</td>
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<tr>
<td>Final Examination – Closed Book</td>
<td>60%</td>
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<tr>
<td>TOTAL</td>
<td>100%</td>
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An overall mark of at least 50% is required to pass the unit.

To successfully complete this unit, students must:
- achieve a minimum of 50 marks,
- achieve a satisfactory result on the final exam: the unit coordinator reserves the right to set a satisfying/threshold mark for the final examination

Essential Library Resources


References:


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<tr>
<th>On-line Learning Requirements</th>
<th>Lecture notes and tutorial questions will be made available on the E-Learning (vUWS) link on the UWS home page <a href="http://www.uws.edu.au">www.uws.edu.au</a>. Students are expected to consult vUWS at least once a week, as all administrative announcements will be made via vUWS.</th>
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<td>Special Requirements</td>
<td>There are no special requirements for this unit.</td>
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