



FIN201 - Business Finance

Basic Information

Instructor Name	Dr. Xiaoting Wei
Home Institution	Australian National University
Instructor Title	Associate Lecture
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Office	TBA
Office Hours	TBA, and by appointment

Course Description

Business Finance provides an introduction to the fundamental concepts of finance and the key skills required for good financial management of corporations and companies, as well as for personal financial management. It introduces financial concepts and issues that provide the necessary guidelines to solve many corporate finance problems and covers some of the important theories in modern finance to provide a substantial grounding in the discipline, including in preparing students for more advanced studies in finance.

On successful completion of this course you will be able to:

1. Understand and apply the fundamental concepts of finance and the key skills required for good financial management of corporations and companies, and personal financial management.
2. Understand financial concepts and issues that provide the necessary guidelines to solve corporate finance problems and to gain a substantial grounding in the discipline.
3. Critically analyze and apply appropriate analysis and evaluation of alternatives that lead to effective financial decision-making.
4. Develop sound financial policies to inform effective financial management of organizations that benefit key stakeholders.
5. Analyze and evaluate investment options and financing choices to apply best practice business finance solutions.

Required Course Materials

Textbook	Edition	Author	Publisher	ISBN-10
Introduction to Corporate Finance	5 th	Frino, Hill and Chen	Pearson	9781442542488

Course Hours

The course has 15 class sessions in total. Each class session is 160 minutes in length. The course meets from Monday to Friday. Each course has a total of 40 class hours. A reading day for students is on 7th Feb. The final exam will be on 8th Feb.

**Year Level:**

The 2nd year.

Prerequisite

(List if there is any; List "None" if the course has no prerequisite)

None

Course Schedule

Week	Session	Day	Topic (s)	Chapter(s)	Presentations	Homework
Week 1	14 Jan.	Sun	Orientation			
	15 Jan.	M	Overview of Business Finance	1		Ch.1: 2-4, 8-10, 14
	16 Jan.	T	Financial Mathematics	2		Ch.2: 3-9
	17 Jan.	W	Time Value of Money	2		Ch.2, 17-23
	18 Jan.	TH	Valuation of Bonds and Shares	3		Ch.3: 1-5, 8-11
Week 2	22 Jan.	M	Class Quiz(I)		Groups 1,2	
	23 Jan.	T	Capital Budgeting	4		Ch.4: 1-4
	24 Jan.	W	Capital Budgeting	4 & 5		Ch.4: 6-9
	25 Jan.	TH	Capital Budgeting	5	Groups 3,4	Ch.5: 1-4,6,12,13
Week 3	29 Jan.	M	Class Quiz(II)		Groups 5,6	
	30 Jan.	T	Risk and Return	6		Ch.6: 5-10
	31 Jan.	W	Capital Asset Pricing Model	7		Ch.7: 1-6
	1 Feb.	TH	Weighted Average Cost of Capital	8	Groups 7,8	Ch.8: 1,2
	2 Feb.	F	Weighted Average Cost of Capital	8		Ch.8: 3,4
Week4	5 Feb.	M	Capital Structure	12	Groups 9,10	Ch.12: 1-3,8
	6 Feb.	T	Revision		Groups 11,12	
	7 Feb.	W	Reading Day			Exam Preparation
	8 Feb.	TH	FINAL EXAM			

Homework

Homework questions are selected from the 'Practical Questions' at the end of each Chapter of the Frino *et al.* text. Homework is not assessed, but you are strongly recommended to do the questions in preparation for your quizzes and final exam. The homework questions include the group project questions (see below); if you attempt these you will be better equipped to understand the presentations.

Evaluation

Final marks will be determined as follows:

Assessment	Percentage
Attendance and participation	10%
Class Quizzes (2)	30%
Group Assignment	20%
Final Exam	40%
Course Total	100%



Class Participation and Discussion

Students are expected to attend all classes. If a student misses more than one session, two marks will be deducted for each subsequent class missed. A student with good attendance, who contributes to class discussion by volunteering answers and asking good questions, can earn ten marks for this item.

Quizzes

The class quizzes are designed to allow you to test and demonstrate your understanding of the business/corporate finance concepts that you have learned about, including both numerical and theoretical concepts. Your results in the quizzes will give you feedback on how you are going in the course.

Group Projects

The presentations are designed to encourage cooperative learning and communication. See below for details.

Final Exam

Duration: 2 hours (plus 15 minutes reading time). The exam will consist of multiple choice questions and short- and long-answer theoretical and numerical questions. Non-programmable financial and scientific calculators may be used in the final examination (see note on calculators below).

Grade Distribution

Letter Grade	Grade Points
High Distinction	85-100
Distinction	75-84
Credit	65-74
Pass	50-64
Fail	0-49

Group Project Details

Students will form groups of four. Groups will be numbered 1-12. Each group will complete one project, to be presented in class and submitted in written form. Students A and D will present the problems to the class; C and D are responsible for creating an Excel file for the presentation.

Student	Task	Details
A	Presentation: first part	Introduce the question in a clear and interesting way, explain what concepts are illustrated, and answer the first half of the questions (5-7 minutes).
B	Presentation: second part	Answer the second half of the questions, summarise the concepts illustrated (5-7 minutes).
C	Responsibility for spreadsheet	Organise the information and calculations in an Excel spreadsheet, which the presenters can use to explain the problem to the class.
D	Responsibility for written answers	Create text boxes on separate worksheets of the spreadsheet for the presenters to use, summarising the questions and answers, and showing the formulas used. Information should be easy to digest.

The questions are selected from the Practical Questions at the end of relevant chapters in the Frino *et al.* text. The program is as follows:

Date	Group	Topic	Questions
Monday 22 Jan.	1	Valuation of bonds	Ch. 3, Questions 4 & 5
	2	Valuation of stocks	Ch. 3, Question 11
Thursday 25 Jan.	3	Capital budgeting	Ch. 4, Question 4
	4	Capital budgeting	Ch. 4, Question 9
Monday 29 Jan.	5	Capital budgeting	Ch. 5, Question 6
	6	Capital budgeting	Ch. 5, Question 13



Thursday 1 Feb.	7	Risk and return	Ch. 6, Question 6
	8	Risk and return	Ch. 6, Question 10
Monday 5 Feb.	9	Capital Asset Pricing Model	Ch. 7, Questions 5 & 6
	10	Cost of capital	Ch. 8, Question 3
Tuesday 6 Feb.	11	Cost of capital	Ch. 8, Question 4
	12	Capital structure	Ch. 12, Question 8

Rules and Guidelines:

- Presenters may not read from a script. Use only the Excel file, and only one file.
- One worksheet should list the names and roles of the group members.
- The calculation sheet(s) should look professional; with helpful use of lines, colours, etc. Text and formulas should go on separate sheets and also look professional. High marks will go to presentations that are clear, simple and easy for the class to absorb.
- The Excel file should be submitted by email by 11pm on the night before the presentation is scheduled. Presentations submitted later will incur a deduction from the group mark: 1 mark if emailed after 11pm; 2 marks if brought to class on a USB drive.
- Presentations will not be rescheduled under any circumstances. If a group member is ill, is not cooperating or has dropped out, the remaining members should take over his/her responsibilities. In this case, bonus marks may be awarded at the instructor's discretion.
- Each group will receive an overall mark out of 10, and each group member an individual mark out of 10.
- If there is evidence that answers were copied from an internet site, the whole group will receive a mark of zero.

Academic Integrity

SISU expects honesty from students in presenting all of their academic work. Students are responsible for knowing and observing accepted principles of scholarly research and writing in all academic work.

Academic dishonesty or cheating includes acts of plagiarism, forgery, fabrication or misrepresentation, such as the following:

- claiming the work or thoughts of others as your own
- copying the writing of others into your written work without appropriate attribution
- writing papers for other students or allowing them to submit your work as their own
- buying papers and turning them in as your own
- having someone else write or create all or part of the content of your assignments
- submitting the same paper for more than one study or class without explicit permission from the faculty members

General Principles

SISU is committed to principles of trust, accountability, clear expectations and consequences. It is also committed to redemptive efforts, which are meaningful only in light of these principles. Students will be granted due process and the opportunity for an appeal.

Academic dishonesty offenses generally are subject to incremental disciplinary actions. Some first offenses, however, receive severe penalties, including dismissal from the program.



General Disciplinary

The following is a non-comprehensive list of possible actions apart from dismissal from the program: warning from a professor, program director; a lower or failing grade on an assignment, test or course; suspension or dismissal from the course; suspension or dismissal from the program.

Disciplinary Actions for Specific Offenses

Some academic dishonesty offenses call for specific disciplinary actions. The following have been identified:

Falsification of documents

Students who falsify or present falsified documents may be dismissed. Prospective students who are discovered to have presented falsified admission documents prior to admission shall be denied admission to the program. Should it be discovered after admission that a student had presented falsified documents for admission, such admission may be annulled and the record of academic achievement removed from the academic record, with appropriate notations. Such annulments or denials may be reviewed after one year.

Dishonesty in course requirements

Course work (a quiz, assignment, report, mid-term examination, research paper, etc.) in which a student has been dishonest generally will receive zero points towards the grade in fulfillment of a course requirement, and/or the student may receive a failing grade for the course. The professor of the course determines the appropriate consequence.

Final assignment

When a student cheats in a major or final assignment such as a comprehensive examination or presents plagiarized material in a major or final assignment, that student shall receive an F in that particular subject. Student cheats on more than two exams shall be dismissed from SISU.