

COURSE OUTLINE

Course Name: Introduction to Finance

Campus Location: Unit 1, Block B, 3 Zamia Street, Sunnybank, QLD 4109

Entry Requirements: See Basic Entry Requirements document

Contact Details: (Email) info@hetc.com.au (Phone) 07 3344 1922

Number of available contact hours: 40 hours

Rationale/Aim of this Course:

It is important for business professionals to learn to make financing decisions. These decisions may include assessing the profitability of an investment project, valuing debt, equity and a firm, understand the functions of financial marketing, calculating the present and future values of cash flows, calculating effective annual interest rates, evaluating risk and uncertainty etc. This course aims to cover all these topics and teach basic finance concepts and calculation skills.

Brief Course Description:

This course teaches students about a firm's investment, financing and dividend decisions. Topics include calculations of future and present values, bond and share evaluations, introduction to capital budgeting, Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC).

Learning Outcomes:

Upon the completion of this course, students should be able to:

1. Calculate present value and future value of different cash flows.
2. Valuate bonds, debentures and stocks.
3. Evaluate which investment is most profitable.
4. Understand the role of debt in a firm.
5. Understand risk and return relationships.
6. Understand the difference between financing, investing and dividend decisions.
7. Calculate interest rates.
8. Valuate and evaluate the profitability of different investment projects using different evaluation methods.
9. Understand allocation of funds.

Skills obtained upon the completion of this course:

1. Written communication skills
2. Analytical skills
3. Problem Solving skills
4. Evaluation and assessment skills
5. Numeracy skills

Learning Facilitations

Lecture notes, usually in a PowerPoint format, are designed to explain theoretical concepts and accounting principles and frameworks. Tutorials are designed to teach and assist students with practical implementations of the theories learnt in lecture notes.

All learning materials such as lecture notes will be given to students straight after enrolment. Therefore, students are expected to read these lecture notes and all required readings. The lecture notes provided are merely a basic and brief overview of the topic; students need to read the extra readings or text books to enhance their understanding.

Tutorial homework exercises will be assigned to every student. Some exercises are handouts from tutors and some are from end of chapter questions in the text book. Exercises provide students with an opportunity to practice what they have learnt in theory and gain sufficient knowledge and practical experiences. The exercise might come in the forms of multiple choice, short answers or/and numerical application questions or essays.

One-on-one Mentoring:

Every lecturer or tutor will have consultation hours where the students can inquire about the course or any of their other course related concerns. Students can contact them through emails or face to face online conferencing or telephone calls.

Course Topics

Each week contains new theories, concepts and practical topics. Students are expected to read the required readings before the reading the lecture notes, and attempting the tutorial exercises. Tutorial exercises are a great resource for self assessment. Here is where students can test to see if they understood the lecture and text book materials.

Week and Date	Chapter Readings	Topics in Lecture
Week 1 – 9/7/2008	1 to 3	Introduction to Finance
Week 2 – 16/7/2008	5	Time Value of Money
Week 3 – 23/7/2008	6 to 8	Discounting Methods – cash flow valuation, share and bond valuation.
Week 4 – 30/7/2008	9 to 10	Net Present Value – making investment decisions
Week 5 – 6/8/2008	12	Market Efficiency and Capital market
Week 6 – 13/8/2008	13	Return, Risk and Security Market Line (SML)
Week 7 - Mid-Semester Break 18/8/2008 - 24/8/2008	NIL	NIL
Week 8 – 27/8/2008	14	Options, Forwards and Futures
Week 9 – 3/9/2008	15	Cost of Capital – Weighted Average Cost of Capital (WACC)
Week 10 – 10/9/2008	17	Capital Structure
Week 11 – 17/9/2008	18	Dividend Policy and the Two Period Model
Week 12 – 24/9/2008	-	Portfolio Diversification
Week 13 – 1/10/2008	-	Review Week 2
Week 14 – 8/10/2008	-	Self Review Week
Week 15	-	Final Exam Week

Assessments

Type of Assessment	Weighting (Out of 100%)
Mid Semester Exam	30%
Weekly Tutorial	20%

Homework	
Final Exam	50%

Assessment Details:

Mid Semester Exam covers materials from topics 1 to 6. It composes of multiple choice questions and short answer questions. The exam result evaluates the student's application skills. If the student does poorly, which is lowered than a pass, in the exam, they should contact their lecturer or tutor immediately and discuss methods of improvement and alternative learning strategies etc.

Tutorial Homework: Homework questions will be handed out in the beginning of the semester. Students need to answer all questions on a weekly basis and email or hand it to the tutor. Students who made a satisfactory attempt (answered all questions) and have satisfactory accuracy levels (at least 50% of the questions are answered correctly) will be granted full marks.

Final Exam will assess the student's overall understanding of the topics after the mid semester exam. It consists of multiple choice, short answer and essay questions.

Learning Materials

Students will be able to download their lecture notes. All lecture notes and tutorial materials come in both soft copies and hard copies.

Prescribed Textbook: Ross, Stephen A., Randolph W. Westerfield and Bradford D. Jordan, (2006) Fundamentals of Corporate Finance, Alternate Edition Irwin McGraw-Hill.

Other Materials: Lecture readings, Case Studies, Video files and other handouts. You will need a calculator in this course.

Academic Misconduct

All assessment must be completed by the student ethically and honestly.

- All work must be done by the individual and involve no plagiarism.
- The student must not cheat or copy other student's work
- Work can not be copied and falsified in assignments and any other assessments.