The aim of this unit is to introduce the fundamental principles and to provide understanding of the basic tools upon which finance is based. Topics include financial mathematics, capital market and sources of finance, project evaluation, portfolio theory, and working capital management.
Contents

UNIT DESCRIPTION
  Introduction
  The Goal of the Unit
  Learning Outcomes
  Prerequisites
  Key Dates

ASSESSMENT MECHANISM
  Purpose of Assessment
  Standard of Assessment
  Acknowledgements and Plagiarism
  Referencing
  Taping of Lectures

TEXTBOOK(S) AND RESOURCES
  Unit Website
  Recommended/Required Text(s)
  Additional/Suggested/Alternate Text(s)
  Software Requirements
  Additional Resources and Reading Material
  Reference List
  Closed Reserve
  Databases

UNIT STRUCTURE
  Seminar Schedule
  Attendance
Contact details

<table>
<thead>
<tr>
<th>Unit Web Site URL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td></td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:limhai@gmail.com">limhai@gmail.com</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>0811-140812</td>
</tr>
<tr>
<td>Fax:</td>
<td>021-7363474</td>
</tr>
<tr>
<td>Consultation Hours:</td>
<td>With Appointment</td>
</tr>
<tr>
<td>Lecture Times:</td>
<td>9:30 – 12:00; 13:00 – 15:00</td>
</tr>
<tr>
<td>Lecture Venue:</td>
<td>2nd floor, Building M, UNTAR</td>
</tr>
</tbody>
</table>

Your Lecturer

Lim Hai, MBA

Lim received his BBus Degree from Southern Cross University (NRCAE), NSW, Australia. He also completed his MBA degree from Institute Pengembangan Manajemen Indonesia – IPMI, Jakarta, Indonesia.

Lim worked for 10 years at PT Bahana Artha Ventura (BAV), a state-owned venture capital company, in Jakarta - Indonesia. Joining BAV in 1995, he was then exposed to various duties and functions within the company. He was once the Director for HRD, Director for Supervision, Director for Operation, and Director for Investment.

Lim also has four years academic experience as a “case writer” with his IPMI alma mater. He has also teaching experience in simulation for Business Policy and Marketing Courses.

UNIT DESCRIPTION

Introduction

Managerial Finance presents a core set of financial concepts and tools which managers need to make sound decisions, usually in areas of capital budgeting, capital structure and working capital management. Students who take this unit will gain understanding of the basic tools and fundamental principles of finance and will have the chance to exercise them.
The goal of the unit

Managerial Finance aims to develop in student’s ability to:

- Understand how managers approach financial problems.
- Recognise the fundamental financial component in problems and issues commonly faced by managers.
- Identify and break down key financial problems which play a role as determinants of business and organizational outcomes.
- Carry out financial analysis of management problems to facilitate management decision making.
- Interpret and present the results of finance analysis in a useful format for those non-financial managers, and
- Understand the organisation’s interface with the external financial environment.

Learning outcomes

On completion of this unit, you should be able to:

- Identify and describe the internal and external financial structures of which the organisation is a part.
- Assessment on projects which the firm is considering and to make recommendation whether or not to undertake the projects and why.
- Understand the relationship between risk and return when evaluating several investment opportunities.

Prerequisites

The prerequisites for this unit are:

Spread sheet (Excel or others).

Key dates (Year 2006)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>08 April, 09:30 am</td>
<td>Session begins</td>
</tr>
<tr>
<td>20 May, 09:30 am</td>
<td>Mid Term Exam</td>
</tr>
<tr>
<td>10 June, 09:30 am</td>
<td>Assignment Due</td>
</tr>
<tr>
<td>Saturday, 17 June, 09:30</td>
<td>Final Exam</td>
</tr>
</tbody>
</table>
ASSESSMENT MECHANISM

The purpose of assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work then gives you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Assessment details

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Assignment</td>
<td>25%</td>
<td>Refer to schedule of seminar topics</td>
</tr>
<tr>
<td>Midterm Examination</td>
<td>25%</td>
<td>Refer to schedule of seminar topics</td>
</tr>
<tr>
<td>Final Examination</td>
<td>50%</td>
<td>Refer to schedule of seminar topics</td>
</tr>
</tbody>
</table>

Mid Term Test

The Mid term test will cover material presented during the first half of the course. The examination will be of one and a half hour duration and a formula sheet will be supplied.

Assignment

The assignment is to be done in groups and/or individual. The maximum number of person for one group is four students. The final report is not to exceed 10 pages although there is no limit on appendices. You will be given details of this assignment in class.

Final Exam

The final exam is 3 hours plus 10 minutes reading time. A formula sheet is supplied. Normally, the final examination covers mainly the materials from the second half of the course. You will be advised of the details of this examination prior to sitting.
The standard of assessment

The Graduate School must ensure that the processes of assessment are fair and are designed to maintain the standards of the School and its students. The School follows the University of Western Australia’s grading system:

- **HD (Higher Distinction)**: 80-100%
- **D (Distinction)**: 70-79%
- **CR (Credit Pass)**: 60-69%
- **P (Pass)**: 50-59%
- **N+ (Fail)**: 45-49%
- **N (Fail)**: 0-44%

The School awards marks leading to these grades by using the following general criteria which are presented here as an indication of the School's expectations. These general criteria may be supplemented by specific standards provided with regard to a particular assignment.

**HD** The student has a clear understanding of theory, concepts and issues relating to the subject and is able to adopt a critical perspective. The student is able to clearly identify the most critical aspects of the task and is able to offer a logically consistent and well articulated analysis within the analytic framework presented in the course. The student is able to draw widely from the academic literature and elsewhere but maintains relevance.

**D** The student has a clear understanding of theory, concepts and issues relating to the subject. The student is able to develop an analysis of an issue using the analytic framework presented in the course and is able to identify and evaluate the critical issues. The student is able to draw upon relevant academic and other material.

**CR** The student demonstrates an understanding of the analytic framework developed in the course and a partial understanding of concepts and issues. The student is able to identify some key issues and is able to present a logical discussion, but with some conceptual errors or gaps between analysis and conclusions shortcoming. The student is able to draw upon an adequate range of references and other materials.

**P** The student generally takes a descriptive rather than analytic approach to the subject. The student is able to demonstrate some understanding of the issues involved but does not demonstrate the ability to apply the analytical framework which had been developed in the course. Draws primarily upon course materials for referencing.

**N+** The student is unable to demonstrate that he or she understands the core elements of the subject matter. The student is able to provide some insight into issues but misapplies analytic framework developed in course, omitting key factors and, for example, drawing conclusions which are not related to the preceding discussion.

**N** The student is unable to demonstrate any understanding of the subject matter. Material presented for assessment is unrelated to course framework and shows no effort to identify or address critical aspects of the topic.

The scaling of marks to ensure comparability between classes in an acceptable academic practice. The GSM and Board of Examiners has the right to scale marks where it is considered necessary to maintain consistency and fairness.
Submission of assignments

Assignments should be submitted in class on the due date or if handed into the office; a standard cover sheet should be used and a receipt issued.

Late assignments will attract a penalty of 5% per day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Assignments will be returned in class.

Acknowledgements and plagiarism

In the course of your individual and group work assignments, you will encounter ideas from many sources. These will include journal and newspaper articles, commentaries, books, web sites and other electronic sources, original case sources, lecture materials. All MBA assignments that you submit must acknowledge all the different sources you have used. Not to acknowledge your sources is plagiarism, a form of dishonesty. Plagiarism is the misappropriation of the work or ideas of others and presenting them as your own. This is reprehensible from both an ethical and legal viewpoint. Neither the School nor the University accepts ignorance or the fact that a student’s previous acts of plagiarism had been undetected as a defence.

In order to avoid engaging in plagiarism it is your responsibility to acknowledge all of your sources in any work submitted for assessment and it is essential that you reference the work of others correctly. Where you quote directly from a source, you must ensure that any direct quotations are placed in quotation marks and are fully referenced. Even when you do not quote directly and are just referring to or expanding on the work of others, you must still acknowledge the sources of your information and ideas. Close paraphrasing in which you change a few phrases around, leave a clause out of a long sentence or put the original sentences in a different order is still plagiarism. To mark words as a quotation the entire text that has been copied should be enclosed within quotation marks. If the copied text is four or more lines in length, it may be more appropriate to set it as a separate and indented paragraph. Each time that text is copied, the source must be acknowledged with a reference citation, including the page number.

Advice on proper referencing is given below. If you have any doubts concerning appropriate referencing formats or how to acknowledge the work of others correctly, you should seek the advice of your lecturer.

Referencing

It is important that the referencing of any sources used in your written work is done properly, if only to substantiate the points you are making in your assignment or project. The Harvard style is the preferred and there are some notes for guidance which have been prepared by the library staff: ‘Citing your sources Harvard Style’

Endnote is a really good system for building up a database of references. Not everyone will want to invest the time in using this system but you should consider it if you intend to build up resource materials or plan to undertake extensive research in a particular area. The library staff have also developed a tutoring package: ‘A quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay http://www.library.uwa.edu.au/guides/endnote/quick_endnote.pdf

This is linked to from the how to Use End Note page www.library.uwa.edu.au/guides/endnote/ which provides more comprehensive information.
Appeals against academic assessment

In the first instance, students are strongly advised to talk informally to the lecturer about the grade awarded. The University provides the opportunity for students to lodge an appeal against any mark which he or she feels is unfair. Any student making an appeal is under an obligation to establish a prima facie case by providing particular and substantial reasons for the appeal.

There is a 12 day time limit for making any such appeal. An appeal against academic assessment may result, as appropriate, in an increase or decrease in the mark originally awarded. The University regulations relating to appeals and the form on which the appeal should be lodged can be found in the GSM website or at http://www.publishing.uwa.edu.au/handbooks/interfaculty/PFAAAA.html

TEXTBOOKS AND RESOURCES

Unit web site

To be advised.

Textbook(s)

Recommended/required text(s)


Additional/Suggested/Alternate text(s)


Additional resources and reading material

Journals

Accounting and Finance
Financial Management/Executive
Journal of Accounting and Economics
Journal of Accounting Research
Journal of Financial Economics
Journal of Financial and Quantitative Analysis

Software requirements

Spread-sheet and word processor.
## UNIT STRUCTURE

### Seminar topics

<table>
<thead>
<tr>
<th>Session</th>
<th>Date (Yr 2006)</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8 April</td>
<td>Introduction to Financial Management, Financial Statements, Taxes, Cash Flow, Consumption, Investment and Capital Market</td>
</tr>
<tr>
<td>2</td>
<td>15 April</td>
<td>Time Value of Money, Project Evaluation</td>
</tr>
<tr>
<td>3</td>
<td>22 April</td>
<td>The Capital Market &amp; Sources of Fund</td>
</tr>
<tr>
<td>4</td>
<td>29 April</td>
<td>Review Topics and Discuss Problems in Sessions 1, 2, and 3</td>
</tr>
<tr>
<td>5</td>
<td>20 May</td>
<td>Mid-Term Exam, Portfolio Theory and Asset Pricing, Future Contracts</td>
</tr>
<tr>
<td>6</td>
<td>27 May</td>
<td>Short Term Assets, Inventory, Liquidity, A/R</td>
</tr>
<tr>
<td>7</td>
<td>3 June</td>
<td>Capital Structure, Cost of capital, Take Overs</td>
</tr>
<tr>
<td>8</td>
<td>10 June</td>
<td>Assignment Due, Review Topics and Discuss Problems in Sessions 5, 6 and 7</td>
</tr>
<tr>
<td></td>
<td>17 June</td>
<td>Final Exam</td>
</tr>
</tbody>
</table>
Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process. For this reason the GSM has decided not to move to on-line teaching. It is, therefore, important that you attend classes (and be on time).

More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminar and tutorials’. Students should not expect to obtain approval to miss more than two classes per unit, unless there are exceptional circumstances.

Students whose attendance at MBA units has been unsatisfactory will not be granted a pass grade. Two or more missed classes without prior permission from the lecturer is classified unsatisfactory. Students should not expect to obtain approval to miss more than two classes per unit, unless there are exceptional circumstances.

Taping of Lectures

The Graduate School does not provide tape recordings of lectures, however if you do wish to tape record a lecture then as a matter of courtesy, you should obtain the permission of the lecturer first.