

Assessment Details and Submission Guidelines	
<b>Trimester</b>	T2 2019
<b>Unit Code</b>	HA1022
<b>Unit Title</b>	Principles of Financial Management
<b>Assessment Type</b>	Group Assignment
<b>Assessment Title</b>	Written Research on the Australian Financial Market
<b>Purpose of the assessment (with ULO Mapping)</b>	<p>To complete this assessment, students are required to:</p> <ol style="list-style-type: none"> <li>1. Explain the institutional framework of the Australian financial system;</li> <li>2. Discuss the financial instruments available from their chosen company, their uses and apply the financial concepts to their chosen company;</li> <li>3. Perform financial ratio calculations and analysis.</li> <li>4. Assess the relationships between financial institutions that make up their chosen industry.</li> </ol>
<b>Weight</b>	30 % of the total assessments
<b>Total Marks</b>	30
<b>Word limit</b>	Not more than 3000 words
<b>Due Date</b>	5pm Friday, Week 10
<b>Submission Guidelines</b>	<ul style="list-style-type: none"> <li>• All work must be submitted on Blackboard by the due date along with a completed Assignment Cover Page.</li> <li>• The assignment must be in MS Word format, no spacing, 12-pt Arial font and 2 cm margins on all four sides of your page with appropriate section headings and page numbers.</li> <li>• Reference sources must be <u>cited in the text of the report</u>, and <u>listed</u> appropriately <u>at the end</u> in a reference list using Harvard referencing style.</li> <li>• Submitted work should be your original work showing your creativity. Please ensure the self-check for plagiarism to be done before final submission in accordance with SafeAssign Student Guide in Black Board. As a guide, a similarity score of over 20% is considered as excessive except in the cases where the similarity is caused by the use of template provided by the lecturer, references or sources of data. Please note that it can take 48 hours for the self-check report to be available for your viewing.</li> <li>• You are required to submit the assignment at Group Assignment Final Submission, which is under Assignment and Due Dates on Black Board. Always keep an electronic copy until you have received the final grade for the Unit. Please make sure that you submit the correct file. <b>Any appeal relating to submitting wrong files <u>after the deadline</u> will not be considered.</b></li> </ul>

## Assignment Specifications

### Assignment Tasks

The assignment task is a written report and analysis of your chosen financial institution and the financial environment. You will be required to apply the financial concepts you have learned in class to your chosen industry and company.

In groups of 3-5, students should first choose an industry (GICS Industry Group) from the ASX Company List provided on Blackboard. Second task is to pick one ASX listed company within the industry to undertake financial ratio analysis and competitor analysis. Finally, identify the regulator of the industry and your chosen ASX Listed Company and the recent actions (within the last 3 years) that they have taken to control ethical behaviour in the industry.

Note that groups cannot have the same ASX Listed Company. The first come, first served rule will apply.

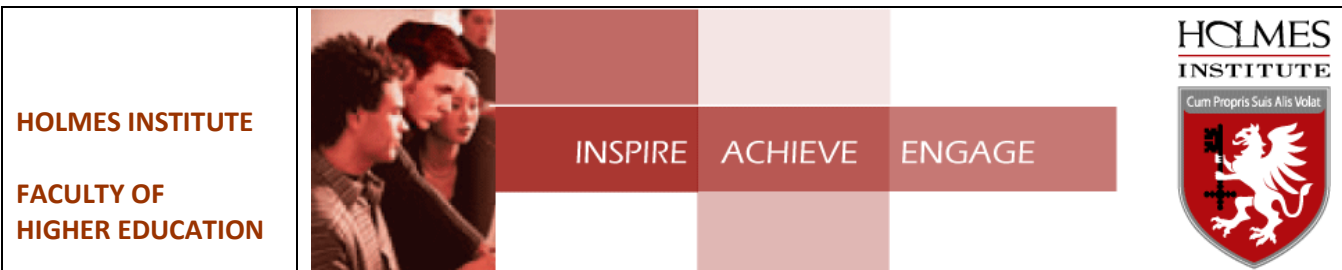
**Assignment Structure should be as the following:**

	<b>Requirement/s and Guide Questions</b>
<b>1</b>	<p><b>Industry Description (2 marks, up to 250 words)</b></p> <ul style="list-style-type: none"> <li>a) Characterize the size of the industry and the level of competition.</li> <li>b) Identify the regulator/s of the industry. Comment on the extent of the regulator's power to ensure compliance within the industry.</li> <li>c) Are there any industry groups that help regulate behaviour aside from regulators?</li> </ul>
<b>2</b>	<p><b>Company Description (2 marks, up to 250 words)</b></p> <ul style="list-style-type: none"> <li>a) What is/are the main source of business? What are the products and services being sold?</li> <li>b) What is the ownership structure of your company? What is the management structure of your company?</li> <li>c) What is your company's role within the Financial System (e.g. source of funds, borrower of funds, regulator, financial intermediary, etc.)?</li> </ul>
<b>3</b>	<p><b>Financial Instrument Analysis (4 marks, up to 400 words)</b></p> <ul style="list-style-type: none"> <li>a) Secure a copy of the 2018 Balance Sheet and Income Statements of your chosen firm and <u>attach it as an exhibit or table in your appendix</u>. What are the financial instruments that your firm deals in? Check Assets, Liabilities and Equities section. Also read through the Notes to Financial Statements to get a better description of the financial instruments.</li> <li>b) Does your firm engage in Off Balance Sheet business (OBS)? What financial instruments comprise the Off Balance Sheet business? What is the volume of OBS business compared to Balance Sheet business of your chosen company?</li> </ul>
<b>4</b>	<p><b>Part A: Financial Structure Analysis (10 marks, up to 1000 words)</b></p> <p>Suppose your chosen company requires AUD 10 Million to finance a new project and your finance managers are evaluating whether to borrow or issue new shares.</p> <ul style="list-style-type: none"> <li>a) Identify 3 key financial ratios that will be important to creditors.</li> <li>b) Identify 3 key financial ratios that will be important to shareholders.</li> <li>c) Calculate the 6 financial ratios based on the financial statements you have attached.</li> </ul>

	d) Based purely on Financial Ratios, recommend whether it is better for the company to borrow the AUD 10 Million or issue AUD 10 Million new shares.
<b>5</b>	<p><b>Financial Market Analysis (6 marks, up to 600 words)</b></p> <p>a) How do the financial players (borrowers, investors, financial intermediaries, regulators) within your chosen industry interact with each other? Research and comment on whether the players are in a mutually beneficial relationship or in a combative relationship.</p> <p>b) Does the industry require government intervention? If so, identify the cause of the need for government to step in. What actions have regulators taken to ensure ethical behaviour within the industry? Hint: Look at the financial news for the last 3 years regarding the industry.</p> <p>c) Conduct further research on your chosen company. Has it been involved in any unethical practices in the past? How did the regulators and investors react? What corrective actions were taken by the company? Alternatively, if there has been no reported incidence of unethical behaviour, comment on your chosen company's processes that ensure compliance to the law.</p>
<b>6</b>	<p><b>Findings, Conclusion and Recommendations (4 marks, up to 500 words)</b></p> <p>Based on a summary of your findings, conclude whether the financial market for your chosen industry is healthy. What further recommendations from regulators and industry experts can be applied to sustain the health and development of the industry? Do you agree with these recommendations? State why or why not.</p>
<b>7</b>	<b>Presentation of Paper (including Assignment Cover Page and Reference List) – 2 marks and not included in word count</b>

### Marking criteria

Marking criteria	Weighting
Industry Description	2
Company Description	2
Financial Instrument Analysis	4
Financial Structure Analysis	10
Financial Market Analysis	6
Findings, Conclusion and Recommendations	4
Presentation of Paper (including references)	2
<b>TOTAL Weight</b>	<b>30</b>
<b>Assessment Feedback to the Student:</b>	



### Marking Rubric

	<b>Excellent (85% - full marks given)</b>	<b>Very Good (80%)</b>	<b>Good (65%)</b>	<b>Satisfactory (50%)</b>	<b>Unsatisfactory (0%)</b>
<b>Industry Description (2%)</b>  Excellent = 2 Very Good = 1.75 Good = 1.5 Satisfactory = 1 Unsatisfactory = 0 – 0.5	Identification of the players within the industry, the level of competition, the regulators of the industry and how they interact with each other.	Identification of the players within the industry, the level of competition, and the regulators of the industry.	Identification of the players within the industry and the level of competition.	Identification of the players within the industry.	No introduction or description of the industry.
<b>Company Description (2%)</b>  Excellent = 2 Very Good = 1.75 Good = 1.5 Satisfactory = 1 Unsatisfactory = 0 – 0.5	Identified an ASX Listed Company within the chosen industry with clarity and relevance and have included all 3 of the requirements of the section and linked them with the company's mission, vision and goals.	Identified an ASX Listed Company within the chosen industry with some clarity and relevance and have included all 3 of the requirements of the section.	Identified an ASX Listed Company within the chosen industry with some clarity and relevance and have included at least 2 of the requirements of the section.	Identified an ASX Listed Company within the chosen industry with some clarity and relevance and have included at least 1 of the requirements of the section.	No introduction or description of the ASX Listed Company included in the report.  Inappropriate choice of organisation. Not in the approved list nor in the correct industry.

<p><b>Financial Instrument Analysis (4%)</b></p> <p>Excellent = 4 Very Good = 3.5 Good = 3 Satisfactory = 2 Unsatisfactory = 0 – 1</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 2 financial instruments has been identified and analysed correctly. Check for any OBS business has been done and commented on. Risk between Balance Sheet and OBS business in terms of volume has been analysed.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 2 financial instruments has been identified and analysed correctly. Check for any OBS business has been done and commented on. If none, then a comment must still be made.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 2 financial instruments has been identified and analysed correctly.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 1 financial instrument has been identified and analysed correctly.</p>	<p>Balance Sheet and Income Statement not attached in appendices.</p> <p>Financial instruments not identified.</p>
<p><b>Financial Structure Analysis 10%</b></p> <p>Excellent = 10 Very Good = 8.5 Good = 7 Satisfactory = 5 Unsatisfactory = 0 – 2.5</p>	<p>Balance Sheet and Income Statement attached in appendices and all 6 financial ratios appropriate for the company has been chosen and analysed correctly. Analysis of whether each ratio is a strength or weakness is provided.</p> <p>Conclusion provided on whether AUD 10 Million is to be raised using debt or equity.</p> <p>Excellent marks will be given if the 6 ratios are linked with each other or if more relevant ratios are provided and analysed.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 6 financial ratios appropriate for the company has been chosen and analysed correctly. Analysis of whether each ratio is a strength or weakness is provided.</p> <p>Conclusion provided on whether AUD 10 Million is to be raised using debt or equity.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 4 financial ratios appropriate for the company has been chosen and analysed correctly. Analysis of whether each ratio is a strength or weakness is provided.</p> <p>Conclusion provided on whether AUD 10 Million is to be raised using debt or equity.</p>	<p>Balance Sheet and Income Statement attached in appendices and at least 2 financial ratios appropriate for the company has been chosen and analysed correctly. Analysis of whether ratio is a strength or weakness is provided.</p>	<p>Balance Sheet and Income Statement not attached in appendices.</p> <p>Financial ratios not appropriate for the company and/or incorrectly calculated.</p>

<p><b>Financial Market Analysis (6%)</b></p> <p>Excellent = 6 Very Good = 5 Good = 4 Satisfactory = 3 Unsatisfactory = 0 – 2</p>	<p>Good data presented in support of the role/s or the ASX Listed company within the financial system and well researched ethical issues that are linked to company practices and policies.</p>	<p>Good data presented in support of the role/s or the ASX Listed company within the financial system and well researched ethical issues within the chosen industry.</p>	<p>Good research on role/s of the ASX Listed company within the financial system, including the level of regulation within the industry.</p>	<p>Enough research to support comment on the role of the chosen ASX Listed Company within the financial system.</p>	<p>Inadequate research to support the financial market analysis. No comment on the role of the chosen ASX Company in the financial system.</p>
<p><b>Findings, Conclusion and Recommendations (4%)</b></p> <p>Excellent = 4 Very Good = 3.5 Good = 3 Satisfactory = 2 Unsatisfactory = 0 – 1</p>	<p>Presenting a wide range of adequate recommendations that exemplarily supported by justification and analysis;</p> <p>Using data and information derived from financial analysis completed in an efficient, analytical and logical manner;</p>	<p>Presenting very good recommendations that properly supported by justification and analysis;</p> <p>Data and information derived from financial analysis completed are properly used to support the recommendations</p>	<p>Presenting adequate recommendations that properly supported by justification and research;</p> <p>Data and information derived from financial analysis completed are properly used to support the recommendations</p>	<p>Demonstrating limited justification and analysis of the given recommendations;</p>	<p>Providing no recommendations or inadequate recommendations for financial institutions;</p> <p>No relevant justification using data and information derived from the analysis of financial statements;</p>
<p><b>Presentation of Paper - including references (2%)</b></p> <p>Excellent = 2 Very Good = 1.75 Good = 1.5 Satisfactory = 1 Unsatisfactory = 0 – 0.5</p>	<p>Demonstrated a high level of understanding and skills of academic writing by means of criticism, logical argument, and interpretation of data and information.</p> <p>Assignment Cover Page and Reference List provided and can be traced to in text citation. Reference list is appropriate for the research.</p>	<p>Very rational demonstration of the ability to present the ideas in proper analytical and contextual level</p> <p>Assignment Cover Page and Reference List provided and can be traced to in text citation. Reference list is appropriate for the research.</p>	<p>Demonstrating the ability to present the ideas in proper analytical and contextual level</p> <p>Assignment Cover Page and Reference List provided and can be traced to in text citation.</p>	<p>Demonstrating limited skills of academic writing in terms of structure, presentation, wordings and referencing</p> <p>Assignment Cover Page and Reference List provided</p>	<p>Failing to meet the requirements of academic writing in terms of structure, presentation, wordings and referencing.</p> <p>No Assignment Cover Page and Reference List</p>