

EXAMINATION FOR THE DEGREE OF M.SC IN LAW AND FINANCE

REPORT OF THE BOARD OF EXAMINERS FOR 2018-2019

1. Introduction

This report contains a brief commentary on various central aspects of this year's examinations, and raises any points which the Examiners believe may be important for those who have oversight of the examination of MSc in Law and Finance (MLF) candidates in future years.

2. Timetable

The setting of the timetable for this year's examinations went smoothly. The Michaelmas and Hilary Term examinations for the MLF core courses, First Principles of Financial Economics (FPFE) and Finance respectively, were set in the week after the final class to give candidates the opportunity to revise for their papers after the finance courses were completed. The Trinity Term examinations for the law electives commenced at the end of 8th Week and continued until the end of 10th Week and it was possible to ensure that no candidate sat two papers on the same day. This year, three of the finance electives had examinations, and these were set on days that did not clash with any law elective examinations for those candidates taking these finance electives as part of the Finance Stream.

This was the fifth year that the Finance Stream has been offered, as part of the MLF programme. This allows candidates to opt to study a finance component in lieu of one of the two law courses that candidates are usually required to take. The Finance Stream consists of a compulsory course in Corporate Valuation and one finance elective. Candidates taking the Finance Stream had a 100% individual formal coursework assessment for the compulsory finance course, Corporate Valuation, which was submitted in 10th Week of Hilary Term. For their finance elective in Trinity Term, candidate assessments were based on individual formal coursework due after the end of Trinity Term, and/or by group practical work due during term, and/or by an examination in 10th Week, depending on which finance elective they selected.

Delivering the Finance Stream will always involve a degree of administrative complexity and uncertainty. The Law Faculty and Saïd Business School (SBS) operate different course and exam schedules and employ differing timelines for timetabling courses. Coordinating teaching and assessment/examination timetables therefore continues to be a challenge for MLF finance electives because these need to be compatible across other programmes in the Law Faculty and SBS. Compounding matters, Master of Business Administration (MBA)/MSc in Financial Economics (MFE) and MLF marks for SBS courses are moderated by different Exam Boards. Building on the experience of delivering the Finance Stream since its inception, effective communication with SBS regarding the provision of information about course timetabling and assessments continued to support a structured approach to managing the Finance Stream, now in its fifth year. Candidates' final marks for finance electives were communicated to the MLF Exam Board within the Faculty of Law's normal timetable for reporting, approving, and releasing marks to candidates. The administrative support provided by a dedicated SBS Programme Support Administrator, acting as an MLF course liaison at SBS for the second year running, continues to be a valuable aid in ensuring the smooth running of the Finance Stream. The operational issues involved in managing the Finance Stream do not detract from the desirability of continuing to offer a Finance Stream in future

years, and the MLF Finance Stream will continue to be offered in the academic year, 2019-20.

For the fifth year running, the assessment regimes for FPFE and Finance incorporated a piece of assessed group work, worth 20% of students' overall mark in each course. To spread the burden of course assessment over a variety of different points in time and modalities with the objective of reducing levels of student anxiety, and to provide students with an early indication of their performance on course before the written examinations for these two core courses.

3. Statistics

Attached at Appendix 1 are the number of entrants, distinctions, passes and fails from 20132019. The 2019 numbers are:

	2019					
	Male		Female		Total	
	No.	%	No.	%	No.	%
Distinction	9	36	3	21	12	31
Merit*1	11	44	5	36	16	41
Pass	5	20	6	42	11	28
Fail	0	0	0	0	0	0
Total	25		14		39	

MLF candidates, with the exception of those taking the Finance Stream, each sit two law examinations (or one law examination and wrote a dissertation) from a set menu of available options that are also open to BCL and MJur candidates. Ten law elective options were available to MLF students in the 2018-19 academic year. This year, between them, MLF candidates studied seven law electives, not including the dissertation option. One MLF candidate wrote a dissertation. This year, four MLF prizes were awarded: one candidate was awarded three prizes.

MLF overall prize (£500)

LECT (£100)

Finance (£100)

FPFE (£100)

One MLF candidate received the Corporate Finance award.

Of the 39 candidates who completed the course, 24 (61.5%) opted to take the Finance Stream. They were able to choose their Trinity Term finance elective from a selection of six available options.

The 2018-19 MLF cohort comprised 42 students. This number includes three students who suspended their studies for three terms. 2019 was the first year when the Faculty awarded a Merit classification. Of the 39 candidates who passed the MLF programme in 2018-19, there were 11 passes in total, 6 male candidates and 5 female candidates received a "Pass" classification.

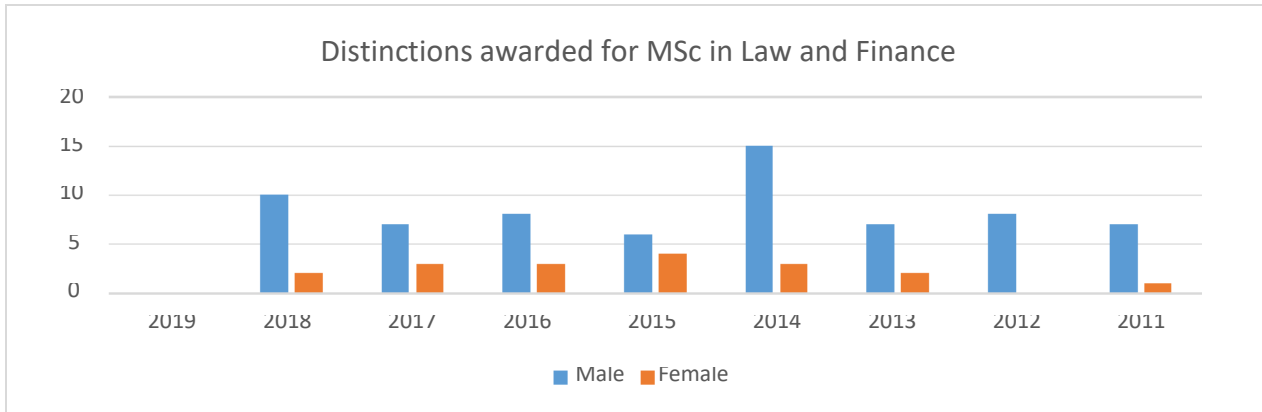
Merit

Sixteen out of thirty-nine (41%) candidates who completed the course, received a Merit Classification this year. Eleven male candidates (44%), out of a total of twenty-five obtained a Merit, five female candidates, out of a total of 14 obtained a Merit (46%). As this is the first year that the Merit classification has been awarded, it is not possible to draw conclusions based on trends. However, while the introduction of the Merit hasn't appeared to have reduced the numbers and, relative percentages of students achieving a distinction, it has however, had an impact on the numbers who have achieved a Pass.

Distinctions

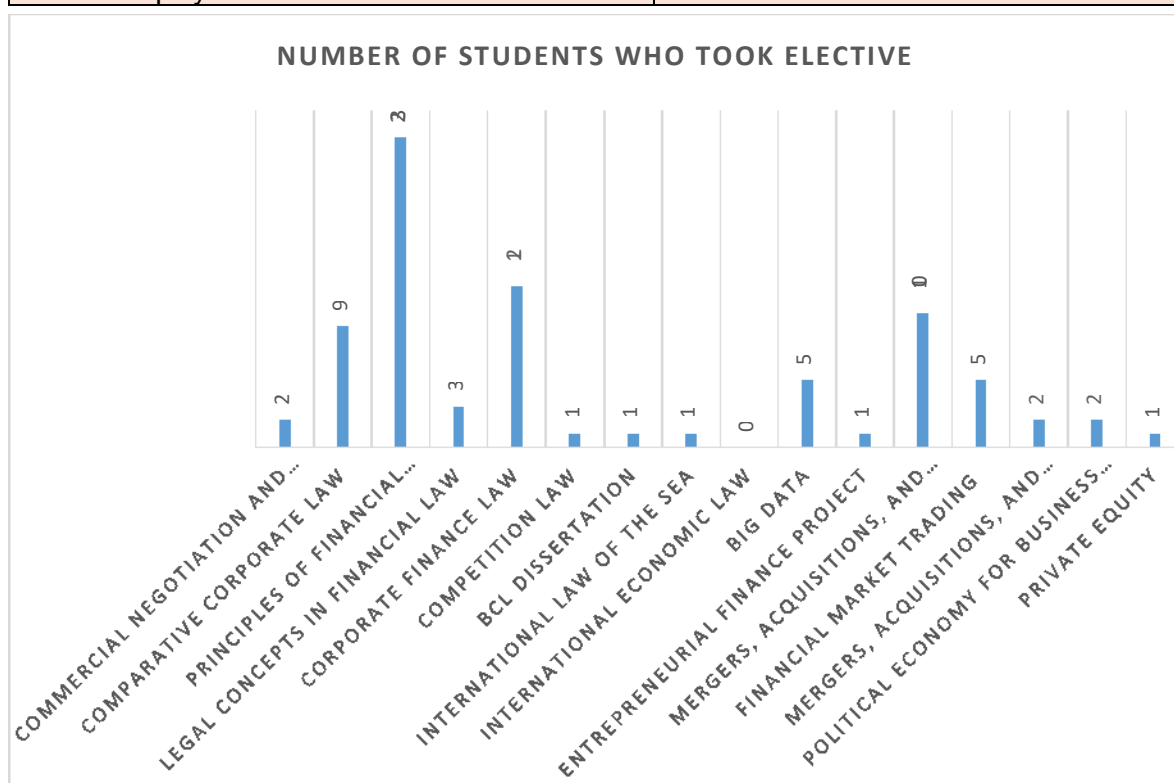
Twelve out of thirty-nine (31%) candidates who completed the course were awarded distinctions this year. The number of Distinctions awarded in 2019 has been consistent with each year since 2011, with the exception of 2014. While the number of Passes awarded has fallen significantly since the introduction of the Merit, there has been little impact on Distinction levels, which suggests that Pass marks have been close to the upper level as they are now in the Merit band.

The ratio of Distinctions awarded to males and females has been consistent since 2013 with an average of 4:1. 2011 and 2012 showed a greater disparity. This disparity between the results for men and women is observed on the MLF programme. Following a recommendation from the MLF's Five Year Review Panel in 2015-16, which noted this gender disparity, MLF results since the course's inception have been analysed to determine whether this gender disparity is linked to particular assessment types. This study did not reveal any significant differences in gender performance for different assessment types for the core courses (i.e. group work, essays and exams). However, the proportion of men and women achieving distinctions is something that will continue to be monitored in future years.



4. Electives. The most popular electives were: Principles of Financial Regulation (Law) with 23 students and, Mergers, Acquisitions, and Restructuring (Finance) with 10 students.

Elective	Number of students who took this elective
Commercial Negotiation and Mediation	2
Comparative Corporate Law	9
Principles of Financial Regulation	23
Legal Concepts in Financial Law	3
Corporate Finance Law	12
Competition Law	1
BCL Dissertation	1
International Law of the Sea	1
International Economic Law	0*
Big Data	5
Entrepreneurial Finance Project	1
Mergers, Acquisitions, and Restructuring	10
Financial Market Trading	5
Mergers, Acquisitions, and Restructuring	2
Political Economy for Business Leaders	2
Private Equity	1



5. Turnitin

Turnitin software was used to check for plagiarism for the programme's two assessed essays. No essays were referred to the board as causing concern as a result of the Turnitin assessment.

6. Plagiarism and late submission of essays and coursework

Candidates receive guidance on the issue of plagiarism at the start of the academic year and are also referred to the study skills guidance and training opportunities on the Oxford Students' website to ensure they are clear on what good academic practice looks like for the purpose of assessed essays.

7. Setting of papers

The MLF Board of Examiners reviewed all draft papers carefully, making text changes for clarity and consistency as required and referring queries back to the setter, which were then discussed and resolved. This process ensures consistency of style and standard across papers, and normally obviates queries during the examinations themselves. As far as the Examiners are aware, no queries or proof-reading faults were raised during the MLF examinations.

8. Information given to candidates

The MLF Examination Conventions for 2018-19 are attached as Appendix 3. These Conventions, and all subsequent versions, are accessible on WebLearn for MLF candidates to view, to which their attention is drawn at the start of each term. Original hard copies of the MLF Exam Conventions are made available to all candidates at the start of the academic year. In advance of examinations and assessments each term, candidates are referred to the University's Examination Regulations and the examination and assessments information on the Oxford Students' website, including a summary of key regulations applicable to all examinations.

9. The written examinations

The MLF examinations generally appear to have proceeded smoothly. The Chair of the MLF Exam Board attended at the start of each examination, as did the setter.

10. Materials provided in the examination room

Calculators were provided for the examinations for the MLF core courses, FPFE and Finance.

11. Illegible scripts

No candidate had an illegible examination script needing to be typed in 2017-18.

12. Marking and remarking

Scripts were marked and, where required, were second-marked (blind), in accordance with the established practice as set out in the MLF Examination Conventions, with a final mark

agreed between the two markers before the relevant exam board meeting. For the MLF, all scripts and papers that were given a mark ending in a 7, 8 or 9 were second-marked. This is because marks for two of the core MLF courses are finalised and released before the final exam board meeting, so there is no opportunity to request that a script be remarked where a mark ends in a 7, 8 or 9 based on a candidate's overall marks profile at the end of the year, as happens for the BCL and MJur.

For the SBS finance courses taken by the Finance Stream candidates, all individual formal coursework submissions and examination scripts were double-blind marked by two assessors at SBS, in accordance with their marking procedures.

13. Mitigating Circumstance (formerly FAPs) Applications and Special Examination Needs

Redacted for publication

Thanks

The Exam Board formally thanked Prof Kershaw for his assistance in this, his final year as MLF External Examiner, Professor Ilaria Piatti for her contribution as SBS representative on the board, and Professor Stefan Enchelmaier for his work and oversight as Exam Chair. The board wished Professor Dan Awrey well, in his new post at Cornell University Law School.

Appendices to this Report:

[Appendix 1: Statistics for the MLF 2017-2018 Examinations](#)

[Appendix 2: Marks Distributions](#)

[Appendix 3: MLF Examination Conventions](#)

[Appendix 4: Finance Stream Assessment Information](#)

[Appendix 5: MLF Course Prizes](#)

[Appendix 6: Reports on Individual Papers](#)

APPENDIX 1:

STATISTICS FOR THE MLF 2018-2019 EXAMINATIONS

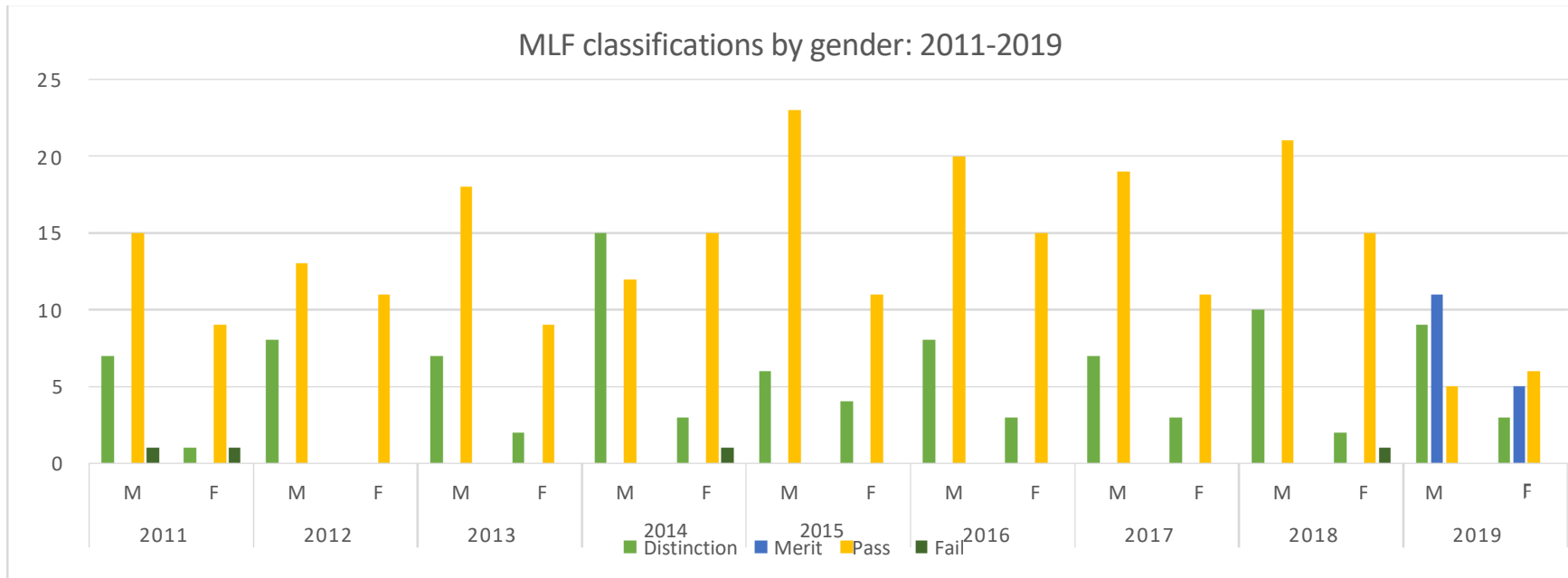
	2019						2018						2017					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Dist	9	36	3	21	12	31	10	32	2	11	12	24	7	27	3	21	10	25
Merit* ₁	11	44	5	36	16	41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pass	5	20	6	42	11	28	21	68	15	83	36	73	19	73	11	79	30	75
Fail	0	0	0	0	0	0	0		1	6	1	2	0		0		0	
Total	25		14		39* ₂		31		18		49		26		14		40	

	2016						2015						2014					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Dist	8	29	3	17	11	24	6	21	4	27	10	23	15	56	3	16	18	39
Merit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pass	20	71	15	83	35	76	23	79	11	73	34	77	12	44	15		27	59
Fail	0		0		0		0		0		0		0		1	5	1	2
Total	28		18		46		29		15		44		27		19		46	

	2013						2012						2011					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Dist	7	28	2	18	9	25	8	38	0	0	8	25	7	30	1	9	8	24
Merit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pass	18	72	9	82	27	75	13	62	11	100	24	75	15	65	9	82	24	71
Fail	0		0		0		0		0		0		1	4	1	9	2	6
Total	25		11		36		21		11		32		23		11		34	

*1 New classification for 2019.

*2 The 2018-19 MLF cohort comprised 39 students and excludes two students who suspended studies in 2018-19 and one student who has withdrawn from the programme.



APPENDIX 2:

FINAL MARKS STATISTICS, MLF 2018-2019 MARKS DISTRIBUTIONS, AS PERCENTAGES

Paper name	Avg. Mark	No. Sitting	Mark rangers (%)					
			49/less	50/54	55/59	60/64	65/69	70/over
MLF Core Courses								
First Principles of Financial Economics	70.4	40	0	0	5.1	5.1	38.5	53.8
Finance	65.4	40	0	3	4	6	16	11
Law and Economics of Corporate Transactions	64.6	39	0	1	3	13	14	8

Law Electives								
BCL Dissertation	66	1	0	0	0	0	100	0
Commercial Negotiation and Mediation		2	0	0	0	50	50	0
Comparative Corporate Law	66.5	9	0	0	0	11	78	11
Competition Law	66	1	0	0	0	0	100	0
Corporate Finance Law	66.2	12	0	0	0	16.6	41.8	41.6
International Law of the Sea	71	1	0	0	0	0	0	100
International Economic Law*2	0	0	0	0	0	0	0	0
Legal Concepts in Financial Law	66.4	3	0	0	33.5	66.5	0	0
Principles of Financial Regulation	66	23	0	0	3	25	51	21

Finance Stream Courses								
Big Data	68.6	5	0	0	0	0	40	60
Entrepreneurial Finance Project	74	1	0	0	0	0	0	100
Financial Market Trading	69	5	0	0	0	40	20	40
Political Economy for Business Leaders	71.6	2	0	0	0	0	50	50
Private Equity	70	1	0	0	0	0	0	100
Mergers, Acquisitions and Restructuring	68	10	0	0	10	10	20	60

Notes: 1. 'Average mark' given to the nearest one decimal point.

*2. One student entered this elective but suspended their status for three terms before the

APPENDIX 3:

MSc Law and Finance
Examination Conventions
Academic Year 2018-19

Version	Action	Date
Version 1.0	Published for the start of the new academic year, 2018-19	24/09/18

Contents

1	Introduction
2	Rubrics for Individual Papers
3	Submission of Assessed Essays, the Dissertation and Group and Individual Assignments
4	Marking Conventions
5	Progression Rules and Classification Conventions
6	Resits
7	Mitigating Circumstances: Notices to Examiners
8	Details of Examiners and Rules on Communicating with Examiners

1. Introduction

Examination conventions are the formal record of the specific assessment standards for the course or courses to which they apply. They set out how examined work will be marked and how the resulting marks will be used to arrive at a final result and classification of an award. The supervisory body responsible for approving these examination conventions is the Social Sciences Board's Teaching Audit Committee.

Certain information pertaining to assessments (for example, rubrics for law and finance electives) will be finalised by the Examination Boards in the course of the year and it will be necessary to issue further versions of this document. It is intended that an updated version of this document is published for the start of Hilary Term, when information about the law electives and Finance Stream courses becomes available. A further updated version is planned for the start of Trinity Term, once the details of the law elective papers and assessments for the finance electives have been finalised. When changes are made the Faculty will publish a new version together with a list of the changes and students will be informed by email. Amendments and modifications to these conventions must be approved by the MLF Exam Board, who are responsible for the course and the examination, and the supervisory body. This is Version 1.0 of the MLF 2018-19 Examination Conventions. If there are any minor changes to this current version of the Exam Conventions, then a new version – 1.1 – will be created. If there are any major changes then the new version will be renumbered as Version 2.0. Each time a new version is issued, you will be informed by email, and the updates will be listed in the version table above. This version and subsequent versions can be obtained from the MLF WebLearn site: [MLF Examinations and Assessments WebLearn site \(https://weblearn.ox.ac.uk/x/jjhsoA\)](https://weblearn.ox.ac.uk/x/jjhsoA)

2. Rubrics for Individual Papers

Candidates must complete the following courses:

(a) Three core courses; *and*

(b) either

two law electives, *or*

one law elective and an individual dissertation, *or*

one law elective and the Corporate Valuation course plus one finance elective, as prescribed for the Master in Business Administration or MSc in Financial Economics (i.e. the 'Finance Stream').

Core Courses:

(i) First Principles of Financial Economics (FPFE)

- i. Practical group work exercise (worth 20%). Students will be divided into groups for the assignment, which will be released on WebLearn at 12 noon on Wednesday of Week 5 Michaelmas Term (MT). Answers (one set per group) will be required by 12 noon on Friday of Week 6 MT. (See also 3.3 below).
- ii. 1,500 word assessed essay to be submitted by 12 noon on Friday of Week 10 MT (worth 40%). Footnotes are included in the word limit. A bibliography is optional, and is not included in the word limit. The title for the essay will be prescribed by the MLF Board of Examiners and published on WebLearn at 12 noon on Friday of Week 8 MT. (See also 3.1 below).
- iii. 2 hour written examination taken in Week 9 MT (worth 40%). The examination will comprise 10 compulsory questions, each worth 10 marks. All questions will be

quantitative (though not necessarily numeric) and will require a brief and unambiguous answer. SHARP EL-531 model calculators will be provided in the examination room.

(ii) Finance

- iv. Practical group work exercise (worth 20%). Students will be divided into groups and presented with a case study, regarding which they will be required to answer all 5 questions set by the examiner. The case study and questions will be released on WebLearn at 12 noon on Friday of Week 1 Hilary Term (HT). Answers (one set per group) will be required by 12 noon on Monday of Week 4 HT. There is no word limit, but brevity is a virtue. (See also 3.3 below).
- v. 2 hour written examination taken in Week 9 HT (worth 80%). The examination will comprise 2 sections. Section A (worth 60 marks) will contain 4 compulsory questions; section B (worth 40 marks) will contain 2 longer questions, of which one must be answered. SHARP EL-531 model calculators and a Formula Sheet will be provided in the examination room. All areas of the Finance course may be examined.

(iii) Law and Economics of Corporate Transactions (LECT)

- i. Group work assessments marked as pass or fail, which consist of assessed conduct of case studies involving preparation and presentation of proposals, and attendance at the deals presentation classes. Students will work in small groups to answer a problem. Each group will have a different submission deadline and these will be set and announced by the course convenor at the start of Trinity Term (TT). Students are required to pass the group work assessment in order to pass the course.
- ii. 5,000 word assessed essay to be submitted by 12 noon on Friday of Week 7 TT (worth 100%). Footnotes are included in the word limit. A bibliography is optional, and is not included in the word limit. The title for the essay will be prescribed by the MLF Board of Examiners and published on WebLearn at 12 noon on Friday of Week 1 TT. (See also 3.1 below).

Law Elective Courses:

The rubrics for the law elective courses and the materials available in the examination room for each paper will be agreed by the Law Faculty's Examination Board during Michaelmas Term and reported to you in a subsequent version of this document for the start of Trinity Term.

Examples of rubrics and materials from previous years can be found by viewing BCL/MJur past examination papers at <https://weblearn.ox.ac.uk/portal/hierarchy/oxam>. The rubrics and materials available in the examination room for the MLF law electives in 2017-18 can be found on the [MLF Examinations and Assessments WebLearn site](#).

Optional Dissertation:

An MLF student may offer a 10,000-12,500 word (including footnotes but not including tables of cases or other legal sources) law dissertation, in lieu of one law elective. Permission to write the dissertation must be granted first (see the [MLF Student Handbook](#) for how to request permission and the deadline by which this must be sought), and will depend in part on whether an appropriate supervisor is available. The dissertation must be submitted by 12 noon on Friday of Week 5 TT. (See also 3.2 below).

Finance Stream Courses:

The rubric for the compulsory Finance Stream course, Corporate Valuation, which is taken in Hilary Term by all Finance Stream students, will be agreed by the Saïd Business School's

Examination Board in Michaelmas Term and reported to you in a subsequent version of this document at the start of Hilary Term.

The rubrics for the Trinity Term finance elective courses will be agreed by the Saïd Business School's Examination Board in Hilary Term and reported to you in a subsequent version of this document at the start of Trinity Term.

Examples of rubrics for these courses from 2017-18 can be found on the [MLF Examinations and Assessments Weblearn site](#). However, students should bear in mind that assessment of the Finance Stream courses may vary considerably from year-to-year, so the materials from last year should not be taken as an indication of the format of papers in 2018-19.

3. Submission of Assessed Essays, the Dissertation and Group and Individual Assignments

3.1 Submission of assessed essays

For FPFE and LECT, work is assessed by means of submission of an essay.

These essays must be submitted electronically to WebLearn by their submission deadline. Late submission may be penalised (see 4.5 below).

Candidates will be contacted by email before the submission deadline with details of how to submit these essays. All essays will be checked for plagiarism using the Turnitin software.

Each essay must have a cover page containing the title, your candidate number and the number of words used in the essay. Neither your name nor the name of your college must appear anywhere on your essay. The word count that appears on the cover sheet must be the actual word count produced by the software in which the essay is produced. The word count for essays must include all footnotes, but not any bibliography. All essays will be checked to confirm the word count. Disregard of word limits may be penalised (see 4.6 below).

On submitting an essay, candidates are also required to submit a Declaration of Authorship by the submission deadline. This can be found on the [MLF Examinations and Assessments Weblearn site](#). To ensure anonymity, the Declaration of Authorship will be retained in safe keeping by the MLF Administrator and, unless in exceptional circumstances, the contents of the Declaration will not be disclosed to the Examiners until the marks for the essays have been finally determined.

3.2 Submission of dissertations

If you are offering a dissertation you must read very carefully the requirements set out in the [Examination Regulations, Degrees in Civil Law, Magister Juris, and Master of Philosophy in Law, Schedule B](#), which also applies to the MLF. (See also 4.6 below).

The dissertation must be submitted electronically to WebLearn by 12 noon on Friday of Week 5 TT. On submitting the dissertation, candidates will also be required to submit an online Declaration of Authorship. Candidates will be contacted with details of how to submit the dissertation. The examiners shall exclude from consideration any part of the dissertation which is not the candidate's own work or which has been or will be submitted to satisfy the

requirements of another course, and the examiners shall have power to require the candidate to produce for their inspection the work so submitted or to be submitted.

Dissertations must be typed, and the number of words must be stated on their first page. The word count that appears on the dissertation must be the actual word count produced by the software in which the dissertation is produced. The word count for dissertations must include all footnotes, but not any bibliography, tables of cases or other legal sources. The dissertation must bear your candidate number. Neither your name nor the name of your college must appear. All dissertations will be checked to confirm the word count and to check for plagiarism, using the Turnitin software.

There is a common approved [Faculty format for all law dissertations and theses](#), which can be found on the [MLF Examinations and Assessments WebLearn site](#) and in the [MLF Student Handbook](#).

3.3 Group work: FPFE, Finance and LECT

For FPFE and Finance, groups must submit answers (one set per group) to all questions by the deadline, by submitting an electronic copy to WebLearn. Details about how to submit your group's submission will be provided to all candidates by email before the submission deadline. For the LECT group work, the course convener will issue a memo to the class setting out the method of submission and the assignment deadlines before the start of Trinity Term.

For the FPFE and Finance group work, a [Group Declaration of Authorship](#) must be completed and submitted with the work by the submission deadline. This can be found on the [MLF Examinations and Assessment WebLearn site](#).

3.4 Finance Stream: individual and group assignments

Please refer to [SBS Assessment Information Sheets](#) for guidance about submitting individual and group assignments for Finance Stream courses.

A statement must be submitted with all individual written assignments declaring that the work is that of the individual candidate. In the case of group assignments, a statement must be submitted declaring that each student has contributed significantly and proportionately to the work. All materials taken from published or transmitted sources must be clearly referenced by standard academic methods such that the Examiners will be able to trace the sources without difficulty.

4. Marking Conventions

4.1 University scale for standardised expression of agreed final marks

Agreed final marks for individual papers will be expressed using the following scale:

70-100	Distinction
65-69	Merit
50-64	Pass
0-49	Fail

In 2018-19, the Merit classification can only be awarded to those joining the MSc Law and Finance programme from Michaelmas Term (MT) 2018, i.e. a student needs to have matriculated in MT 2018, not before, to be eligible.

4.2 Qualitative criteria for different types of assessment

Qualitative descriptors are intended to provide summaries of the qualities that will be demonstrated in attaining each classification – Distinction, Merit, Pass, Fail – overall. The qualities a Distinction will demonstrate include acute attention to the questions asked; extensive and detailed knowledge and understanding of the topic addressed; excellent synthesis and analysis of materials; clear and well-structured answers which show an engagement with theoretical arguments and substantial critical facility.

The qualities a Merit will demonstrate include serious attention to the questions asked; a very good knowledge and understanding of the topic addressed; well-structured arguments, which show a solid familiarity with the theoretical arguments pertinent to the topic.

The qualities a Pass will demonstrate include a level of attention to the questions that is satisfactory to good; a satisfactory to good knowledge of the topics in question; appropriately structured arguments; and some familiarity with theoretical arguments pertinent to the topic.

A Fail overall will demonstrate a lack of the qualities required above in respect of one or more papers.

See section 5.1 below for further information about how the different classifications are calculated overall.

For Finance Stream courses, see the [MBA Examining Conventions 2018-19](#) for details of the qualitative criteria.

4.3 Verification and reconciliation of marks

For each paper there will be a team of at least two markers. LECT and the law elective papers are marked by markers from the Law Faculty. Finance, FPFE and the Finance Stream courses are marked by markers from the Saïd Business School.

The markers operate under the aegis of the MLF Board of Examiners and the whole Board meets to discuss and finalise marks, providing an extra layer of assurance in terms of the objectivity of the process, and a means of resolving any situation where two markers are unable to reach agreement.

Where a mark given for a particular element of a course converts into a decimal mark for the overall mark, decimals ending in .5 or above are rounded up, and those ending in .4 or below are rounded down.

After marking has been completed, the MLF Exam Board meet at the end of the academic year and agree a final classification/result for each candidate, having taken account of medical and other special case evidence and having made appropriate adjustments for such matters as absent answers and breach of rubric. The MLF Board of Examiners also agree on the award of the MLF course prize at this stage.

Marking carried out for MLF core courses (FPFE, LECT and Finance) and law elective courses

The Law Faculty does not operate a marking regime involving the blind second-marking of all scripts. However, extensive second-marking according to a system approved by the MLF Exam Board and supervisory body does take place and the Faculty takes a great deal of care to ensure the objectivity of marking procedures.

For each paper, a minimum sample of 6 scripts, or 20% of the scripts, whichever is the greater number, will always be second-marked, together with (if not already part of the sample):

- any other script/essay which the first marker found difficult to assess (including, potentially those where not all questions have been answered, as well as those of potential course prize winners), and
- any script or essay for which the first mark places a candidate on a borderline that may affect the awarding of merit or distinction (i.e. 58, 59, 63, 64, 68 or 69), and
- any script or essay for which the first mark is below 50.

For all second-marked papers, the markers meet to compare their marks and consider any differences arising, following which a single mark is agreed by the two markers for each question, and for the paper's mark overall. In exceptional (e.g. medical) circumstances, third readings may take place.

Marking carried out for Finance Stream courses

For Finance Stream courses, see the [MBA Examining Conventions 2018-19](#) for details of the verification and reconciliation of marks.

MLF students will be integrated into groups with MBA and Masters in Financial Economics (MFE) students for the group formal coursework elements of the finance electives. The marks for these course elements are then sent to the relevant boards of examiners for each of the MBA and MFE, and for the MLF. Each examination board is responsible for the appropriate moderation of results and it is therefore possible that the final mark given to MLF students for their group work may differ from that given to the MBA and/or MFE students that were in the same group and submitted the same piece of group work.

4.4 Short-weight convention and departure from rubric

For MLF core course and law elective papers, the mark for a completely absent answer in any script will be zero, and the mark for a part answer will be such a mark above zero as is appropriate, relative to more successful answers, in terms of the quality of what has been written, and the extent to which it covers the question.

The overall mark for a law elective script will be arrived at by averaging the number of marks to two decimal places, including zeros, over the number of questions that should have been answered on the paper.

If a candidate completes the correct number of questions, but fails to answer a question which is compulsory (e.g. where the candidate does not answer a problem question as required by the rubric of that paper), up to 10 marks may be deducted.

Candidates who write answers in note form may also expect to have their overall mark for the paper reduced.

For Finance Stream courses, see the [MBA Examining Conventions 2018-19](#) for details of the short-weight convention and departure from rubric, which will apply.

4.5 Penalties for late or non-submission

Non-submission

Failure to submit a required element of assessment will result in the failure of the assessment. The mark for any resit of the assessment will be capped at a pass (50). ([Examination Regulations, Regulations for the Conduct of University Examinations, Part 14](#)).

Late submission

Application to the Proctors for permission for late submission of work should be made by the candidate's college on the candidate's behalf.

- i. FPFE and LECT essays, the Dissertation and group work for FPFE, Finance and

LECT: The scale of penalties agreed by the MLF Exam Board in relation to late submission of assessed items without permission is set out below. Details of the circumstances in which such penalties might apply can be found in the [Examination Regulations, Regulations for the Conduct of University Examinations, Part 14](#).

Late submission	Penalty
Up to one day (submitted on the day but after the deadline)	-5 marks (- 5 percentage points)
Each additional day (i.e., two days late = -6 marks, three days late = -7 marks, etc.; note that each weekend day counts as a full day for the purposes of mark deductions)	-1 mark (- 1 percentage point)
Max. deducted marks up to 14 days late	-18 marks (- 18 percentage points)
More than 14 calendar days after the notice of non- submission	Fail

- ii. Formal coursework (individual and group) and practical work for Finance Stream courses: see the [MBA Examining Conventions 2018-19](#) for details of the penalties for late or non-submission, which will apply.

4.6 Penalties for over-length work and departure from approved titles or subject-matter

For MLF courses and the Dissertation, where a candidate submits a dissertation or other piece of written coursework which exceeds the word limit prescribed by the relevant regulation, the Examiners, if they agree to proceed with the examination of the work, may reduce the mark by up to 10 marks. ([Examination Regulations, Regulations for the Conduct of University Examinations, Part 16, Regulation 16.6](#)).

For the FPFE and LECT assessed essays, the Examiners have determined that an allowance of an extra 3% should be permitted to candidates above the word limit (to make allowance for the manner in which word-count software operates, which often causes legal citations to inflate the word count). Where a submitted essay exceeds this additional allowance, the Examiners, if they agree to proceed with the examination of the work, may reduce the mark by up to 10 marks.

For Finance Stream courses, see the [MBA Examining Conventions 2018-19](#) for details of the penalties for over-length work and departure from approved titles or subject-matter, which will apply.

4.7 Penalties for poor academic practice

The MLF Exam Board shall deal wholly with cases of poor academic practice where the material under review is small and does not exceed 10% of the whole.

Assessors should mark work on its academic merit with the Board responsible for deducting marks for derivative or poor referencing.

Determined by the extent of poor academic practice, the Board shall deduct between 1% and 10% of the marks available for cases of poor referencing where material is widely available factual information or a technical description that could not be paraphrased easily; where passage(s) draw on a variety of sources, either verbatim or derivative, in patchwork fashion (and examiners consider that this represents poor academic practice rather than an attempt to deceive); where some attempt has been made to provide references, however incomplete (e.g. footnotes but no quotation marks, Harvard-style references at the end of a paragraph, inclusion in bibliography); or where passage(s) are 'grey literature' i.e. a web source with no clear owner.

If a candidate has previously had marks deducted for poor academic practice or has been referred to the Proctors for suspected plagiarism the case must always be referred to the Proctors. Also, where the deduction of marks results in failure of the assessment and of the programme the case must be referred to the Proctors.

In addition, any more serious cases of poor academic practice than described above should also always be referred to the Proctors.

4.8 Penalties for non-attendance

Failure to attend an examination will result in the failure of the assessment. The mark for any resit of the assessment will be capped at a pass (50). ([Examination Regulations, Regulations for the Conduct of University Examinations, Part 14](#)).

5. Progression Rules and Classification Conventions

5.1 Qualitative descriptors of Distinction, Merit, Pass, Fail

Distinction (70% and above): Distinction-level performance represents an excellent level of attainment for a student at MLF level. They exhibit the following qualities:

- acute attention to the question asked;
- a deep and detailed knowledge and understanding of the topics addressed and their place in the surrounding context;
- excellent synthesis and analysis of materials, with no or almost no substantial errors or omissions, and coverage of at least some less obvious angles;
- excellent clarity and appropriateness of structure, argument, integration of information and ideas, and expression;
- identification of more than one possible line of argument;
- advanced appreciation of theoretical arguments concerning the topics, substantial critical facility, and personal contribution to debate on the topic.

Merit (65-69%): Merit-level performance represents a level of attainment which, for a student at MLF level, is of a particularly high value. They exhibit the following qualities:

- high quality synthesis and analysis of materials, with few substantial errors or omissions;
- clarity and appropriateness of structure and expression;
- proven ability to integrate information and ideas;
- well-structured arguments which show a solid familiarity with the theoretical arguments pertinent to the topic;
- consistent appreciation of theoretical arguments concerning the topics, substantial critical facility, and personal contribution to debate on the topic.

Pass (50-64%): Pass-level performance represents a level of attainment which, for a student at MLF level, is within the range acceptable to very good. They exhibit the following qualities:

- attention to the question asked;
- a clear and fairly detailed knowledge and understanding of the topics addressed and their place in the surrounding context;
- good synthesis and analysis of materials, with few substantial errors or omissions;
- clear and appropriate structures, arguments, integration of information and ideas, and expression;
- identification of more than one possible line of argument;
- familiarity with theoretical arguments concerning the topics, and (especially in the case of high pass answers) a significant degree of critical facility.

Fail (below 50%): Qualities required for a pass-level performance are absent. In assessing the optional dissertation, examiners are particularly instructed by the Examination Regulations

to judge "the extent to which a dissertation affords evidence of significant analytical ability on the part of the candidate".

5.2 Final outcome rules

All MLF courses have equal weight and contribute to the overall final classification for the programme.

For courses which are made up of a number of marked elements, each element is marked against the marking criteria and weighted to the correct percentage for its contribution to the overall mark for the paper (see section 2 above). The final outcomes rules are as follows, bearing in mind that the examiners have some discretion to deal with exceptional circumstances, in accordance with the Examination Regulations:

- (a) For the award of the degree of MLF there must be no course mark lower than 50, and all pass/fail course assessment components must be satisfactorily completed. A mark lower than 50, but of 40 or above, may be compensated by very good performance elsewhere, but a mark of 39 or below is not susceptible of compensation.

- (b) For Finance and FPFE, which each have more than one marked component, students must attain a mark of 50 overall rather than in each individual component.

- (c) The award of a **Merit** in the MLF will be given to a candidate who:
 - i. secures marks of at least **65** in no fewer than **two** courses, and
 - ii. achieves marks of not lower than **60** in all courses with satisfactory completion of all pass/fail course assessment components.

- (d) The award of a **Distinction** in the MLF will be given to a candidate who:
 - i. secures marks of at least **70** in no fewer than **three** courses, which must include:
 - 1) at least one finance course; **and**
 - 2) at least one of either a law elective **or** the LECT course
 - and**
 - ii. Achieves marks of not lower than **60** in all courses with satisfactory completion of all pass/fail course assessment components.

For these purposes 'finance course' comprises Finance, the FPFE, and the Finance Stream courses; and 'law electives' includes the dissertation.

The group work assessment for the LECT course is assessed on a pass/fail basis only.

Where, for good reason, a candidate is unable to join an assignment group, for a group assessment, the MLF Board of Examiners may at their own discretion accept an individual submission for assessment according to the same standards. Students must request permission from the MLF Board of Examiners to submit an individual piece of work before doing so.

Candidates who have initially failed any element of the examination will not be eligible for the award of a Distinction or Merit.

Note that the aggregation and classification rules in some circumstances allow a stronger performance on some papers to compensate for a weaker performance on others.

5.3 Use of vivas

Viva voce examinations are not used in the MLF.

6. Resits

Candidates are permitted on only one occasion to resubmit or retake failed assessment items on any course on which they have failed to obtain an overall mark of 50.

Normally the resit for a failed examination will be a new examination paper and the resit for a failed assessed essay will be a new assignment. The resit for any failed group work may be an examination or an assignment, at the discretion of the course tutor.

Where a candidate fails a course made up of several marked components (e.g. FPFE, Finance), the element to be retaken may be an examination or an assignment or both, at the discretion of the course tutor, taking into account the marks already achieved in the various components.

Where possible (the exception being the law elective written examinations), any resits will take place one term after the original fail mark, as set out below:

- FPFE: in Hilary Term
- Finance: in Trinity Term
- Corporate Valuation: in Trinity Term
- Finance Stream elective: the following Michaelmas Term
- LECT: in September of the same calendar year
- Law electives: June or July of the following year.

If one or more of the subjects studied by the candidate are not available when the candidate comes to be examined, papers shall nevertheless be set for that candidate in those subjects. Where a candidate has failed a course as a result of poor academic performance (i.e. academic failure), the mark for the resit of an assessment item will be capped at a pass, so candidates that resit will not be awarded a mark of above 50 for that particular assessment item. This will not affect marks awarded for other assessment items for that particular course.

Where a candidate has failed a course as a result of non-submission of an assessment item or as a result of non-attendance at a timed examination (i.e. technical failure), the mark for the resit of the assessment item will be capped at a pass (50), and the entire course mark will also be capped at a pass (50).

Candidates who have initially failed a course will not be eligible for the award of a Distinction or Merit.

For Finance Stream courses, see the [MBA Examining Conventions 2018-19](#) for information about resits.

7. Mitigating Circumstances: Notices to Examiners (formerly known as Factors Affecting Performance applications)

Where a candidate or candidates have made a submission, under [Part 13 of the Regulations for Conduct of University Examinations](#), that unforeseen factors may have had an impact on their performance in an examination, a subset of the MLF Exam Board will meet to discuss the individual applications and band the seriousness of each application on a scale of 1-3 with 1 indicating minor impact, 2 indicating moderate impact, and 3 indicating serious impact. When reaching this decision, examiners will take into consideration the severity and relevance of the circumstances, and the strength of the evidence. Examiners will also note whether all or a subset of papers were affected, being aware that it is possible for circumstances to have different levels of impact on different papers. The banding information will be used at meetings of the MLF Board of Examiners to adjudicate on the merits of candidates. Further information on the procedure is provided in the Policy and Guidance for examiners, Annex C and information for students is provided at <http://www.ox.ac.uk/students/academic/exams/guidance>.

8. Details of Examiners and Rules on Communicating with Examiners

The external examiner for the MLF 2018-19 academic year is Professor David Kershaw (LSE). The internal examiners are Professor Stefan Enchelmaier (Chair), Professor Ilaria Piatti and Professor Dan Awrey.

Candidates should not under any circumstances seek to make contact with individual internal or external examiners.

APPENDIX 4:

FINANCE STREAM ASSESSMENT INFORMATION

MBA/MLF 2018-2019

Corporate Valuation **Assessment Information Sheet** Hilary Term Elective

Assessment Summary

Component	Weighting	Submission Deadline	Time	How to Submit	ID Number
Formal Coursework (Individual)	100%	Friday Week 10 (Hilary Term) 23 March 2018	By 12 noon	Upload to SAMS	Candidate Number (6 or 7 digits)

Formal Coursework Assignment Instructions

For this course you are required to submit **one** piece of individual formal coursework.

Formal coursework will involve questions based on a case study. **The questions are both qualitative and quantitative** and ask for knowledge and analysis. The underlying themes are to assess corporate value in a specific corporate context and to make use of this assessment in strategic and financial decision-making. The marking distribution will reflect the students' grasp and synthesis of economic and financial knowledge gained in the course – that is, their ability to move beyond quantitative financial modelling which relies on management forecasts provided in the case studies to a more nuanced quantitative and qualitative analysis which questions the robustness and plausibility of management forecasts.

Case Study *Tesla in 2015 (HBS 9-817-081)*

Harvard Case 9-817-081 is your assessed case study, which you should work on individually and submit **by the deadline and method stated above**. The purchased license will expire in July 2018 when electronic access will cease.

Assignment Questions

- (a) What is the fair market value of Tesla in 2015? Explain any assumptions you make. (70 marks)

(b) Choose one other company that you believe is the most suitable comparator to Tesla and explain the difference in value drivers between the two. Marks will be given for the explanation of the choice as well as the analysis. (30 marks)

The precise meaning of a case is sometimes unclear. If you think that the wording is in some way ambiguous then you should state clearly your interpretation of the case, and you should identify any assumptions which you make. If you are clear and your interpretation is reasonable then you will not lose marks simply because your answer is not identical to mine. You *will* however lose marks if your working is unclear. Pay special attention to the format of your document: it needs to be presented in such a way that it is clear to the marker how your analysis has been performed.

The word limit for the assignment is 4,000 words including any appendices, tables or references.

MBA/MFE/MLF 2018-2019
Asset Management
Assessment Information Sheet
 Trinity Term Elective

Assessment Summary

Component	Weighting	Submission/ Exam Dates	Time	Group Size	How to Submit/ Venue	ID Number
Practical Work (Group assignment)	30%	Friday Week 6 (1 June 2018)	by 12 noon	5	Upload to SAMS	Practical Work Number (5 digits)
Examination (2 hours)	70%	Tuesday Week 10 (26 June 2018)	09:30	n/a	Exam Schools	Candidate Number (7 digits)

Practical Work

The purpose of the **group assignment** is to apply all of the material covered in the course to a real world situation. The investment committee of a College Endowment is debating the pros and cons of various types of investments and the students are asked to evaluate each of the arguments and to propose their own well-argued solution for the college endowment portfolio. Students will work in groups of 5 for this purpose. Extensive feedback will be provided during the last lecture. Most of these comments will be distilled by experienced professionals who execute and supervise this type of analysis on a daily basis.

The word limit is 2,000 words. Word counts cover the main body of text, including tables, figures, and diagrams, and excluding appendices, footnotes, and references.

Examination

There will be five questions; answers will usually consist of a short essay.

MBA/MFE/MLF 2018-2019
Cases in Finance and Investments
Assessment Information Sheet
 Trinity Term Elective

Assessment Summary

Component	Weighting	Submission/ Exam Dates	Time	Group Size	How to Submit/ Venue	ID Number
Formal Coursework (Individual)	100%	Monday Week 9 (18 June 2018)	by 12 noon	n/a	Upload to SAMS	Candidate Number (6 or 7 digits)

Formal Coursework

The purpose of the individual assignment is to test the finance & investment case analysis, finance structuring, valuation and investment presentation skills of the students. The assignment will be to prepare an investment case **EITHER** in the leverage finance **OR** distress & restructuring **OR** M & A **OR** private equity **OR** project & infrastructure finance.

Students are required to submit a PowerPoint Presentation of **up to 25 slides** (plus Appendix - optional) plus the Excel Valuation Model, from the following 2 elements and analysis:

- **An Investment Case Analysis** in a specific sector (investment ES proposal, business analysis, operational model analysis, financing structure, valuation, risk analysis, main terms). This should be submitted as a PowerPoint file, and a PDF version of the same file.
- **A Finance Valuation Risk Analysis Model** (case operational model, financial analysis, financial structuring, valuation and risks analysis model). This should be presented in Excel.

Students will be asked to choose a company for this assignment that is **different** to that chosen by any other member of the class, as you need to develop your own individual assumptions and final content (**not similar text, assumptions or analysis with any other older version**). Students register their choice on a first come first served basis. Further instructions on how to register your company will be sent to you nearer the time. Students can use any company different from other classmates but they must not copy analysis models texts from those provided in class.

How to submit the Formal Coursework assignment

The method of submitting this assignment will be electronically to SAMS. You will be required to submit 3 files;

- One Excel Spreadsheet of the Finance Valuation Risk Analysis (25%)
- One PowerPoint of the Investment Case Analysis
- One PDF copy of the Investment Case Analysis (75%)

MBA/MFE/MLF 2018-2019
Entrepreneurial Finance
Assessment Information Sheet
 Trinity Term Elective

Assessment Summary

Component	Weighting	Submission/ Exam Dates	Time	Group Size	How to Submit/ Venue	ID Number
Formal Coursework (Individual)	100%	Monday Week 9 (18 June 2018)	by 5pm	n/a	Upload to SAMS	Candidate Number (6 or 7 digits)

Formal Coursework

The final project will be an individual assignment that will be distributed before Monday 2nd June. The assignment will consist of providing a full investment analysis of an entrepreneur's business plan, provided by the course leader. This will require using both conceptual and quantitative frameworks discussed in class. On WebLearn there will be a number of materials related to the business plan, including some financial projections. This project will require some creative thinking for solving business problems. The assignment will consist of:

- 1) A critical evaluation of a business plan from an investor perspective, using the frameworks discussed in class. This part will consist of approximately 1000 words, and will account for 28% of the grade.
- 2) A critical review of the financial projections from the business plan, alongside with a proposed alternative model of financial projections. This part will consist of approximately 500 words and a new spreadsheet built by the student. This part will account for 14% of the grade.
- 3) A proposed valuation and term sheet. Student can use the templates discussed in class, but will be asked to fill in their own numbers and terms. This part will consist of approximately 500 words and will account for 14% of the grade.
- 4) An investment recommendation that explains what due diligence remains to be done, and what the main conditions should be for making an investment. This part will consist of approximately 500 words and will account for 14% of the grade.
- 5) An essay question of approximately 1000 words that is based on the content of the cases and readings discussed in class, and that will account for 30% of the grade.

The word limit is 4,000. Word counts cover the main body of text, including tables, figures, and diagrams, and excluding appendices, footnotes, and references.

MBA/MFE 2018-2019
Financial Crises and Risk Management
Assessment Information Sheet
 Trinity Term Elective

Assessment Summary

Component	Weighting	Submission/ Exam Dates	Time	Group Size	How to Submit/ Venue	ID Number
Formal Coursework (Individual)	100%	Tuesday Week 9 (19 June 2018)	12 noon	N/A	Upload to SAMS	Candidate Number (6 or 7)

Formal Coursework Instructions

For this course you are required to submit ONE individual assignment (weighted at 100%).

The assignment should be submitted as an essay consisting of two parts, which should be formatted in a concise and legible style that makes it easy to follow your calculations and your reasoning.

The word limit is 4,000. Word counts cover the main body of text, including tables, figures, and diagrams, and excluding appendices, footnotes, and references.

- The first part of the essay should contain a rigorous analysis of either a sovereign, corporate or banking debt crisis.
50% of the mark is assigned to this part of the essay which should include an analysis of the origin, structure and the main characteristics of the crisis. In addition the taught material should be used for the analysis. This part should constitute the foundation upon which the second part of the essay depends upon.
- The second part should consist of a critical assessment of the resolution of the crisis and alternative proposals for its management and resolution, using the techniques and methods taught in the course.
50% of the mark is assigned to this part of the essay which should include a creative and critical evaluation of how the crisis was dealt with and what, if anything, could have been done differently. The emphasis should be to use the analytical techniques taught to address the resolution of the crisis. In addition, comparative analysis is not required but is appreciated.

MBA/MFE/MLF 2018-2019
Mergers, Acquisitions & Restructuring
Assessment Information Sheet
Trinity Term Elective

Assessment Summary

Component	Weighting	Exam Date	Time	Group Size	How to Submit/ Venue	ID Number
Examination (2 hours)	100%	Wednesday Week 10 (27 June 2018)	09:30	n/a	Exam Schools	Candidate Number (7 digits)

Examination

There will be a two-hour exam comprising approximately sixteen compulsory questions based on the lectures and readings for the course. The purpose of the exam is to assess students understanding of and ability to analyse the material presented in the course.

MBA/MFE/MLF 2018-2019
Private Equity
Assessment Information Sheet
Trinity Term Elective

Assessment Summary

Component	Weighting	Submission/ Exam Dates	Time	Group Size	How to Submit/ Venue	ID Number
Practical Work (Group)	30%	Wednesday Week 6 (30 May 2018)	12 noon	5	Upload to SAMS	Practical Work Number
Examination (2 hours)	70%	Monday Week 10 (25 June 2018)	14:30	n/a	Exam Schools	Candidate Number (7 digits)

Practical Work

The **group project** must consist of a set of PowerPoint slides with a maximum of 20 slides. The word limit is 3000 words. All word counts cover the main body of the text, including tables, figures, and diagrams, and excluding appendices, footnotes and references.

Students will work in groups of 5 for this purpose. The purpose of the group project is to test understanding of the various steps that must be taken to assess the valuation of a private company when viewed from the perspective of a private equity fund and its investors, including the importance of the proposed financing structure. Extensive feedback will be provided during the last lecture. In fact, the whole of the last lecture is dedicated to commenting on the pieces of group coursework that have been submitted. Most of these comments will be distilled by experienced professionals who execute and supervise this type of analysis on a daily basis.

Examination

There will be five questions; answers will usually consist of a short essay.

APPENDIX 5:

MLF COURSE PRIZES

Core MLF Prizes

First Principles of Financial Economics:	Chun Kit Chau Brasenose College
Finance:	Matthew Tse Christ Church College
Law and Economics of Corporate Transactions:	Matthew Tse Christ Church College
Best overall performance in the MLF:	Matthew Tse Christ Church College

Law Option Prizes

The following MLF student was awarded the law elective prize:

Law Faculty Prizes

Corporate Finance Law:	Philip Gavin Oriel College
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APPENDIX 6:

REPORTS ON INDIVIDUAL PAPERS

First Principles of Financial Economics Examiners' Report Michaelmas Term 2018

1. Structure

The students were required to submit practical work in groups of four or five, sit an exam, and submit an essay. The practical work had a weighting of 20% of the total mark, for which students in the same group received the same marks. The exam weighting was 40%, and the essay weighting was 40% of the total mark.

2. Statistics

The average mark was 70.7, with a standard deviation of 6.1.

22 out of the 41 students got distinction. No one failed.

The highest final mark was 83.

3. Examination

There were 10 questions in the examination. Each of them was worth 10 points, totalling 100.

The examination weighting was 40% of the total mark.

On average, question 1 got the highest mark while question 4 got the lowest.

The average of the examination was 67.4, with a standard deviation of 15.1.

Some students performed extraordinarily well in the exam. Three students failed the exam.

4. Assessed essay

The essay weighting was 40% of the total mark.

The average was 67.1, with a standard deviation of 1.3.

The essays were generally good. In most cases, students were capable of articulating the arguments that were presented in class, be it a verbal or more technical analysis.

5. Practical work

The practical work weighting was 20% of the total mark.

The average was 84.7, with a standard deviation of 0.9.

The students in the same group were awarded the same mark for the practical work.

All students did well in the practical work.

Finance
Examiner's Report
Hilary Term 2019

The examination was comprised of two sections. Section A comprised four questions, each of which was worth 15 marks. In section B, students were required to answer one of two questions, each of which was worth 40 marks. On the whole, candidates performed very well in this examination. Summary statistics on student performance in the exam are presented in Table 1

	Examination
Standard	7.696
Average Mark	64.22
Highest Mark	79
Lowest Mark	47

Table 1: Summary statistics.

Section A.

Question 1. Question 1 covered firm valuation and leveraged recapitalization. This question was answered very well and there were no systematic errors.

Question 2. Question 2 covered portfolio theory, the evaluation of a security's systemic risks of a securities, and the CAPM. Most students answered this question well. There were several errors in answers to part b, where some students incorrectly compared each asset's beta to the portfolio of part b, rather than to the market portfolio.

Question 3. This question examined bond valuation and the effect of leverage on firm value. Students struggled with this question: many incorrectly stated that the firm's current market capitalization included the effect of the issued bond. In addition, students failed to detect that the bond was not perpetual and, hence, that its tax shield should be evaluated as an annuity rather than as a perpetuity.

Question 4. This question examined students' understanding of options and IPOS. Students did well on the parts of the question that asked them to explain Greenshoe options and IPO underpricing. Students found it harder to identify specific examples of these concepts.

Section B.

Question 5. This question ranged over a number of related topics. The first three parts examined option strategies undertaken by a firm and the effect of time on the value of an option. The next two parts required students to value an option over two time periods and to explain what traders would need to do to implement this option in practice. The final question asked students about forward rates. Almost every student struggled to appreciate that the squared payoff of the sample option should be approached in the same way as any other option valuation.

Question 6 This question also ranged widely. The first two parts asked students to discuss the results of two papers about the efficiency effects of board diversity. The third part concerned information rent and its effect on compensation. The fourth part asked about corporate diversification. The fifth part addressed the trade-off theory of capital structure. The final part asked about the effect of buybacks. Students who attempted this question did very well.

Alan Morrison,
Said Business School

Law and Economics of Corporate Transactions

Examiner's Report

Trinity Term 2018

Thirty-nine candidates submitted essays, all of whom had already successfully completed the group work component of the course. The essays were generally of satisfactory quality and collectively demonstrated a competent understanding of the relevant concepts and issues. The average mark was 64.6%. Eight candidates (20.5%) obtained distinction marks, twenty-eight (71.8%) obtained upper second-class marks, and three (7.7%) obtained lower second-class marks. No candidate failed this paper.

In general, candidates who obtained high marks demonstrated serious engagement with both the questions, stated facts, and made an effort to apply concepts introduced in the course. Many weaker answers, meanwhile, demonstrated a good theoretical understanding of the relevant concepts and issues, but offered generic descriptions of key economic problems and possible solutions, or failed to answer the questions as posed. Others failed to employ concepts from the course to advance their analysis. Weaker answers were compounded in many cases by the inclusion of generic lists of missing information without an accompanying discussion of how this information, if available, would have enhanced the candidate's understanding of the relevant problems and/or possible solutions.

LECT Assessment 2019: Grading Framework.

	Rationale	Economic Problems	Possible Improvements
Transition Period	<ul style="list-style-type: none"> The withdrawal (or horizontal dis-integration) involves several complex elements that cannot be executed at T-0. In this respect, the problem looks something like the period between signing and closing in corporate M&A transactions. The transition period provides a 	<ul style="list-style-type: none"> The analogy to M&A is apt insofar as the key problem is incentivizing non-contractable synergy investments in pursuit of the best final agreement (a joint production problem where each can be viewed as the agent of the other). In this regard, it is worth noting that LA wants change, while CU would be happy with the status quo. This presents both an agency 	<ul style="list-style-type: none"> Assuming that the backstop gives LA sufficient incentives, the key issue is making sure that CU has the incentives to make non-contractable synergy investments. One option is to place more observable/verifiable benchmarks around tasks/issues that need to be completed in furtherance of a final agreement. If candidates recommend eliminating the backstop, similar benchmarks would need to be included to ensure that LA was sufficiently

	<p>standstill that preserves the status quo while the parties seek to identify how best to structure the dis-integration.</p> <ul style="list-style-type: none"> • In essence, the transition period minimizes costs associated with unwinding existing economic and other relationships (joint asset specificity). • The transition period could also be conceived of as protection against LA threatening to walk away from the negotiations (this relies on a convincing argument around asymmetric levels of relationship specific investment). • <i>Note:</i> several candidates suggested that the transition 	<p>problem and an asymmetry of bargaining power (insofar as CU's longer time horizon enables it to be more patient).</p> <ul style="list-style-type: none"> • The "best endeavours" clause is designed to address this issue, but runs into familiar problems around the observability and verifiability of effort. • Given its desire to leave the CU, the backstop actually provides a powerful incentive to LA to consummate a final agreement (but, as described below, at the expense of CU's incentives). 	<p>incentivized (see below).</p>
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	<p>period was a response to uncertainty and/or the desire to reveal future information (in an incomplete contracting framework). To the extent that the uncertainty argument dovetails with the above, that is fine. However, it is not at all clear what sort of future information the parties are attempting to reveal here - especially since the only future states of the world contemplated by the transition period are “deal” and “no deal”.</p>		
Backstop	<ul style="list-style-type: none"> • Like the transition period, the objective of the backstop is to reduce uncertainty as the parties unwind their relationship and form a 	<ul style="list-style-type: none"> • The most important thing about the backstop is it changes the outside option for both parties. • The effect of the “mutual agreement” clause is to reduce CU’s 	<ul style="list-style-type: none"> • One option would be to eliminate the backstop: i.e. make “no deal” the outside option. While this helps motivate CU, it comes at a cost in terms of uncertainty. Eliminating the backstop also reduces the

	<p>new one. In this respect, it can be understood as a form of insurance. The salient question thus becomes one of who the optimal risk bearer should be.</p>	<p>incentives to conclude a final agreement, while subjecting LA to a scenario where it is indefinitely tied in CU's laws and regulations. This threat enhances the asymmetric bargaining power in favour of CU.</p>	<p>incentives of LA to complete a deal, thus reversing the problem.</p> <ul style="list-style-type: none"> • Another option is to have a time-limited backstop that is linked to observable/verifiable benchmarks measuring progress of negotiations toward a final agreement. • Another option would be to incentivize CU to conclude final agreement using ratchet provision tying (i) time in backstop with (ii) quantum of payment into CU budget – thus reducing payments the longer the backstop remained in force.
<p>CIB repayment</p>	<ul style="list-style-type: none"> • The rationale for the CIB repayment schedule stems from the long-term nature of the investments and the impact that the sudden withdrawal of capital would have (destroying value). Essentially, the CIB has made investments on the basis of promises from LA and 	<ul style="list-style-type: none"> • Basic agency cost issues around separation of ownership and control. However, one might query whether – if all member states participated on the same terms – their interests would not actually be fairly well aligned. • Member states may also have different priorities and objectives 	<ul style="list-style-type: none"> • One option is to determine PV of investments and have CU buy out LA. Payment could be deducted from future budget payments. Clean split, no further agency costs, but must design credible valuation mechanism. • Another option is to have LA assume investments in LA infrastructure projects (combined with some sort of equalization/transfer mechanism). Clean split, no further agency costs, but must design credible

	<p>the “lock-in” period minimizes the costs generated by LA’s unilateral withdrawal.</p> <ul style="list-style-type: none"> • There is no real economic rationale for the removal of LA from the CIB board or the prohibition against dividends and interest before the repayment date: both provisions were designed to get the students to examine the agency cost and other implications thereof. 	<p>(agency costs), which under normal circumstances we might expect to be mitigated by relational mechanisms. However, given LA’s pending departure, one might wonder whether more formal mechanisms were required to mitigate these conflicts.</p>	<p>valuation mechanism.</p> <ul style="list-style-type: none"> • Given the lack of control rights, LA may also seek a guarantee putting a lower bound on ROC.
CU budget contributions	<ul style="list-style-type: none"> • As with the CIB, the CU has made investments on the basis of promises from LA and the obligation to pay into the CU budget minimizes the costs generated by LA’s unilateral withdrawal. 	<ul style="list-style-type: none"> • The quantum of some future payments is uncertain (a symmetric information problem). • The removal of LA representation from CU institutions also poses potential agency cost/moral hazard problems insofar as CU institutions can potentially use the 	<ul style="list-style-type: none"> • Uncertainty can be addressed by determining PV of future liabilities (assuming a credible valuation mechanism) or by instituting a system of floors and caps.

		obligation for LA to contribute to the budget to shift risks/costs to LA.	
Dispute resolution	<ul style="list-style-type: none"> • The rationale for the dispute resolution mechanism is to fill gaps in the withdrawal agreement and enforce provisions such as the “best endeavours” clause. • Low ex ante drafting costs and potentially lower ex post enforcement costs than conventional international law mechanisms 	<ul style="list-style-type: none"> • The mechanism for selecting panels presents strategic behaviour/hold-up problems. • Given its incentives, there is the risk that the CU could use the mechanism to engineer delays designed to put pressure on LA. • Decision-makers may not be completely independent (agency problems). 	<ul style="list-style-type: none"> • Provide for specific timeframes within which disputes must be resolved. • Delegate appointment of decision-makers to independent third parties.