

Huron 
AT WESTERN
MANAGEMENT AND ORGANIZATIONAL STUDIES
CORPORATE FINANCE – MOS 3310B 550
Course Outline
Winter 2020

CONTACT INFORMATION

Instructor: Srikanth Ramani
Office: A2B, Huron

Phone: : 519-438-7224 #883 Huron

Faculty of Arts and Social Science
Admin Asst: Kathy Mazur-Spitzig
Phone: 519-438-7224 #231
Office: A116
Email: ksmazur@uwo.ca

Office Hours: Before / After class
Or by appointment Wed 1-3pm
Email: sramani3@uwo.ca

MOS Director: Jan Klakurka
Office: A2C
Phone: 519-438-7224 #263
Email: jklakurk@huron.uwo.ca

Web: OWL2 (owl.uwo.ca)

Timetable

Wednesday 2:30 – 5:30 pm
Class Room: V210

Course Prerequisites

Business 2257 and enrolment in the BMOS Program or Major in Finance
Aniterequisite: MOS 2310

Course Materials

Brealey, R. Myers, C. Marcus, A.J. Manes, E.M. and Mitra D. Fundamentals of Corporate Finance, Sixth Canadian Edition, Toronto, McGraw-Hill, ISBN: 13: 978-125902496-2

Supplemental Materials (on-line and/or library)

Periodicals: Globe and Mail, Wall Street Journal, Financial Times, Bloomberg Business Week, Economist, etc.

Finance Related Web Sites (for reference and research)

Government

- Department of Finance Canada www.fin.gc.ca
- Bank of Canada www.bankofcanada.ca

Finance

- Bloomberg www.bloomberg.com
- Thomson Reuters www.thomsonreuters.com
- Yahoo finance.yahoo.com
- FinViz www.finviz.com
- Morningstar www.morningstar.ca

Education

- CFA Institute www.cfainstitute.org
- Canadian Securities institute www.csi.ca

Course Objectives

This course is designed to provide a broad overview of issues in financial management and corporate finance. You will learn how financial managers make investment, financing and other decisions and what kind of financial tools and methods they use to make decisions. Topics covered include time value of money, financial analysis, risk, valuation, capital structure, capital budgeting, working capital management, dividend policy and other selected issues.

Course Learning Outcomes

- Identify financial issues affecting corporations and their managers
- Identify and select appropriate tools for analysis
- Learn basic principles governing the financial management of corporation
- Communicate the issues, implications, alternatives and recommendations of financial decisions to users of information

Course Format

The course shall, as far as possible, be handled on a lecture, discussion/problem-solving basis. As a result, the completion of readings and other assignments (i.e. questions, cases, exercises and problems) is essential, prior to class. Weekly questions will be posted to the course web site.

Official solutions to the assignments, problems and cases will be made available after the relevant material is covered in class. The solutions will be posted on the web site.

Students should also note that the workload for this course is heavy and should schedule their time accordingly.

Add/Drop Deadlines

Jan 14, 2019 Last day to ADD a first-term half course.

?????? Last day to DROP a first-term half course without academic penalty.

Calculators

You will need a simple financial calculator for this course. I strongly recommend Texas Instruments BA II Plus. Please bring your calculators to class to be able to take part in class discussions.

Course Evaluation

Mid-Term Examination (2)	40% (or 30%) Feb 5 and Mar 11
Final Examination	30% (or 40%) April 6-26 th period
Quizzes	20%
Class Participation (not attendance)	<u>10%</u>
	<u>100%</u>

Examinations

Requests to be excused from an examination for medical, sport or compassionate grounds must **ALWAYS** be accompanied by appropriate documentation – either with the request or as soon as possible after the fact. A Medical Excuse Documentation Form is available at the Academic Dean's office.

Students who fail to appear for an examination at the time set in the timetable will not be allowed to write the examination thus missed. Students should report this irregularity immediately to the Dean's office. They may, with the approval of the Chair of the Department concerned, petition the Dean for standing or permission to write a special examination. Petitions will be entertained only when they are submitted on compassionate grounds with supporting documents. See the current Western Academic Calendar.

Mid-Term and Final Examinations

Both the mid-terms and final examinations will consist short answer/multiple choice/true/false-type questions and cases/exercises/problems, which test your knowledge of the material that is discussed in class sessions and found in the PowerPoints, readings, and exercise/problem/case learning. The content will be similar to what is discussed in class. The final exam date will not be known until the final exam schedule is released by the Registrar.

Students will be permitted to bring writing materials and a non-programmable financial calculator to each of the examinations. No other items will be permitted at your desk in the examination room. However, a formula sheet will be provided. This includes dictionaries, cell phones, PDA's, CD players, iPod's, etc. These rules will be strictly enforced as it is my responsibility to do everything possible to prevent cheating on examinations.

Policy of Special Examinations

- 1) Students with conflicts or students who are unable to write an examination based upon compassionate grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to be excused.
- 2) Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.
- 3) Students who are excused from the writing of the mid-term examination will have the appropriate percentage of marks transferred to the weighting of the marks for the final exam.

Requirements and Criteria

Performance in the course will be evaluated using a variety of methods that support the objectives identified above. A combination of exams, individual and/or group assignments / presentation, and exercises/assignments will be used to evaluate participants on a number of different levels.

The criteria for success, in no particular order, are:

- Comprehension of the material
- Demonstration of an ability to think cross-functionally
- A willingness to participate for the benefit of oneself and fellow participants
- Strong work ethic to "pull your weight" in group assignments

These criteria will be applied to written and verbal work throughout the term.

Participants will be evaluated on the following activities, as listed in the table below:

Quizzes: 20%

Final Exam 30%

This closed-book exam will be 3-hours in length and may include multiple-choice, true and false, short-answer, essay or computational questions and may include material from the assigned text readings, lectures (PowerPoint presentations), exercises/problems, case studies, videos, small group-work and student presentations. A formula sheet will be provided to students on the exam. Aides allowed: Single Function, non-programmable financial calculator. Questions will be sourced predominantly from post mid-term material, but students must be aware that the final is cumulative so questions from first-half of course are likely to appear as well. You are allowed an information sheet (1 page 2 sided)

Participation 10%

Preparation for class case discussion, as demonstrated by;

- willingness to lead and actively participate class discussions in a professional manner
- providing valuable insights and analysis
- responding to “cold-calls”
- Using blackboard / PowerPoint / Excel spreadsheets to present analyses and findings

Mid-Term 40%

There will be two midterms in class(Feb 5 and March 11) 2 hours in length and may include multiple-choice, true and false, short-answer, essay or computational questions and may include material from the assigned readings, lectures, Power Point presentations, exercises/problems and case studies.

Aides allowed: Single Function, non-programmable financial calculator. You are allowed an information sheet (1 page 1sided).

Course Work & Academic Honesty

Attendance in Class – Physical presence in class and active engagement in daily discussions is expected of all students. Material presented in class may be testable as part of the evaluations noted above. Students are encouraged to bring the text to all classes. To prepare for class, students will be asked to read a chapter and answer the questions and check their solutions on Connect that accompanies the text. The chapter material will be discussed in class using the key concept questions from the text. Problems and cases from the chapter may be assigned. Solutions to these problems and cases will be discussed in the following class.

Students are expected to be highly motivated in learning the subject matter and to dedicate adequate time each week to the readings and class preparation. Students are expected to be prepared for the class and to contribute to class discussions.

You are expected to prepare in advance for the class, including reading the entire chapter as well as preparing the questions and cases. I will review key information using PowerPoint slides as well as

pertinent textbook and problem examples, videos and anecdotes. You are expected to participate in the discussion to maximize your learning and earn participation marks.

We start on time, so please do not arrive late and disrupt others.

Leaving class early is also disruptive to your colleagues and will not be permitted unless you have made prior arrangements with the instructor.

Turn off your cell phone, pager, and watch alarm.

Keep up to date. Make sure that you know the class schedule. Check on the course web page for updates and posted materials.

During the class, respect the learning opportunities of others. Don't distract others by chatting to your neighbour. Our expectation is that you will not only contribute in class to your own learning, but also to that of others.

Accommodation for Religious Holidays

Please refer to the Senate Policy on Accommodation for Religious Holidays at http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_religious.pdf (See **Policy on Academic Rights and Responsibilities**). The Calendar of Religious Accommodation for the 2018-19 academic year is available on the Equity & Human Rights Services' website:

<http://multiculturalcalendar.com/ecal/index.php?s=c-univwo>

This calendar shows religious holidays for which Equity and Human Rights Services has confirmed students of different faiths may require academic accommodation.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all Huron University College students are required to have a valid [huron.uwo.ca](http://www.huron.uwo.ca) or UWO email address. You are responsible for ensuring that your university email address is set up. Forwarding your [huron.uwo.ca](http://www.huron.uwo.ca) email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from [huron.uwo.ca](http://www.huron.uwo.ca) addresses sent to Hotmail, Gmail or Yahoo, etc. accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Participation

It is expected that students will attend all classes and arrive on time and ready to work. I will be evaluating on a daily basis both the quantity and quality of your efforts. The main objective of your contribution is not evaluation but learning or helping your colleagues (and instructor) to learn. The following list might be of some help.

NOTES:

- It is the student's responsibility to submit his or her own original written material in courses in this program. See the current Western Academic Calendar, "Scholastic Offences"
- For a description of the process to be followed for mark/grades appeals see your professor.
- The use of personal computers, or other hand held computing devices during examinations will not be permitted.

Extensions for assignments and re-scheduling of exams will only be allowed for extenuating circumstances. Accommodations will only be granted with documentation. For non-medical grounds, the student must submit a request to the instructor in writing prior to the due date of an assignment, and immediately in the case of a test (or as soon as possible following a medical emergency). Please provide an explanation and length of time required. At the discretion of the instructor, the granting of extensions or re-scheduling of tests may require the student to submit supporting medical or non-medical documentation to the Academic Counsellor, who will then make the determination as to whether accommodation is warranted.

(Note: Additional required and/or supplementary readings may be assigned weekly on OWL to be prepared before class for in-class discussion)

- All questions and exercises/problems are found in the text at the back of each chapter and are to be prepared in advance of class
- Selected end-of-chapter question answers can be found in Appendix B of the text; in this regard, the focus of additional assignment questions discussed in class will be those questions not covered in the Appendix B
- Moreover, any mid-chapter “Check-Points” should be attempted as the chapters are read and the solutions found at the end of each chapter should be reviewed to ensure understanding of concepts
- Certain questions are cumulative in nature, building upon previous questions. Where such questions have been assigned, students are also expected to complete any related questions to arrive at their proposed solution(s)

Week	Details
	INTRODUCTION
1	Course Introduction Overview of Corporate Finance Read: Chapters 1, 2
2	Time Value of Money Read: Chapter 5
3	Valuing Bonds Chapter 6
4	Valuing Stocks (Ch 7)
5	MIDTERM I (Feb 5)
6	NPV Read: Chapter 8
7	Shortterm and long term financing Chapters 19 and 20

8	Cash Flow Chapter 9
9	Chapter 10 Project Analysis
10	MID TERM 2 (Mar 11)
11	Risk and Return: Ch 12,13
12	WACC & valuation Ch 13 Review for Final Exam FINAL EXAM - TBA

DO NOT MAKE TRAVEL PLANS BEFORE THE END OF THE EXAM

Generally, assigned problems will be taken up in the class in which they are assigned. I will post solutions on OWL after they are taken up in class. It is helpful to your preparation for class if you

make a solid attempt at the problems and think about what you need to know and clarify in class. This will make it easier for you to prepare your solutions for class discussion. Also, please note that the answers to certain Exercises and “Check Points” Problems throughout the text are in the back of the text. This will help you understand the material in the chapter and to prepare for exams. Practice works!!



Appendix to Course Outlines

Prerequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites. Unless you have either the requisites for this course or written special permission from your Dean to enrol in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Rights and Responsibilities* at:

<http://www.huronuc.ca/CurrentStudents/StudentLifeandSupportServices/StudentDiscipline>

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, PDAs, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Academic Accommodation for Medical/Non-Medical Grounds

**Requests for Accommodation on Medical Grounds for assignments worth 10% or more of final grade:
Go Directly to Academic Advising**

University Senate policy, which can be found at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf,

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of

the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved

Student Medical Certificate found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been informed of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Requests for Accommodation on Medical Grounds for assignments worth less than 10% of final grade: Consult Instructor Directly

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may not collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been informed of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Requests for Accommodation on Non-medical Grounds: Consult Instructor Directly

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student’s request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been informed that significant circumstances are affecting or have affected the student’s ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Dean's Office, and this record of the offence will be retained in the Dean's Office for the duration of the student's academic career at Huron University College.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on Special Needs

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <http://www.huronuc.ca/AccessibilityInfo> (“Class Cancellations”).

Mental Health @ Western

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Academic Advising

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron’s Student Support Services (huronsss@uwo.ca). An outline of the range of services offered is found on the Huron website at: <http://www.huronuc.ca/CurrentStudents/AcademicAdvisorsandServices>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at:
<http://www.huronuc.ca/Academics/FacultyofArtsandSocialScience>