BUSI 2505
Business Finance
Winter 2016

<table>
<thead>
<tr>
<th>Section</th>
<th>Instructor</th>
<th>Class Time</th>
<th>Class Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Sana Mohsni</td>
<td>Wed 2:35pm-5:25pm</td>
<td>TB 210</td>
</tr>
<tr>
<td>C</td>
<td>Sana Mohsni</td>
<td>Wed 6:05pm-8:55pm</td>
<td>TB 210</td>
</tr>
</tbody>
</table>

Contact Info:
Instructor          Office     Office Hours     phone     e-mail
Sana Mohsni         DT 1715    Wed 12:00PM-1:30PM  5202600   sana_mohsni@carleton.ca
                                      2991

Course Description
Capital investment and financing decisions in the context of risk and return
tradeoffs. Mergers, corporate restructuring, and forecasting.

Prerequisites
BUSI 1002 or BUSI 1005 and BUSI 2504 with a grade of C or higher in each;
ECON 1000 with a grade of C- or higher and MATH 1009 with a grade of C-
or higher.

The School of Business enforces all prerequisites. Only the Undergraduate Program
Supervisor of the School can waive prerequisite requirements.

This Course is Prerequisite to
BUSI 3500, BUSI 3502 and BUSI 3512 (with a grade of C+ or higher).

Course Objectives
The topics covered in BUSI 2504 will be extended, exposing students to a broad
range of material pertaining to Business Finance and Financial Management. Topics
covered include: capital budgeting under uncertainty, capital structure analysis,
dividend policy, and lease financing. Students will learn principles for making sound decisions about financing (obtaining funds) and investment (using funds) when facing an environment with risk and uncertainty.

The main goal of this course is to teach students how to apply an approach to financial decisions that uses future expectations about after-tax cash-flows, while accounting for uncertainty in the available information.

Important learning objectives for the course are to teach students:

✓ How to apply discounted cash-flows techniques as a general tool in understanding business decisions
✓ That risk and uncertainty can be managed as part of running a business
✓ How to decide on the optimal capital structure and whether a firm should distribute a dividend to its shareholders or not

This course makes frequent use of quantitative techniques and models. Review 2504 notes!

Class Format
The majority of the classes will be comprised of lectures and the completion of sample problems.

Required Text and Materials

Calculator: Texas Instruments BA II Plus

Course Evaluation
<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>Weight</th>
<th>Due Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 In-class Quizzes, 3@5%</td>
<td>15%</td>
<td>1: week #4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2: week #6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3: week #10</td>
</tr>
<tr>
<td>Group Assignments (2 in total, group of 4 people), 2@7.5%</td>
<td>15%</td>
<td>1: due on week #6</td>
</tr>
<tr>
<td>[Must be typed, late assignments NOT accepted]</td>
<td></td>
<td>2: due on week #12</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>25%</td>
<td>week #7</td>
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<tr>
<td>Final Exam</td>
<td>45%</td>
<td>TBA</td>
</tr>
</tbody>
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There will be two assignments (to be posted on CUlearn). Assignments are due on the date specified, at the beginning of class. **Late assignments will not be accepted** and will receive a grade of zero. Assignments are to be submitted in **printed** format. Assignments are to be done in **groups of 4 students. DO NOT SHARE YOUR WORK WITH STUDENTS OUTSIDE OF YOUR GROUP. Identical assignments will be treated as evidence of academic offence. PLEASE RETAIN A HARD COPY OF ALL WORK THAT IS SUBMITTED IN THIS COURSE.**

There will be a midterm test for this course. Once marked, assignments and the test will be returned. The final exam is for evaluation purposes, not instruction. It will not be returned to students.

**Marks in the tests and assignments include a component for showing formulae and calculations.** The marking scheme will reflect the instructor’s interest in seeing the steps you take to solve a problem.

Only Texas Instruments BA II Plus calculators can be used in the test and examination. Translation dictionaries are allowed as long as they are in print format and do not contain any handwritten notes. Electronic translation dictionaries are not allowed.

The date and location of the final exam will be announced through the University’s normal procedures for such matters. Be sure that you are available for the mid-term and final exam. **Allowance will not be made for conflicting travel plans.**

**NOTE:** Students who do not demonstrate a minimum level of performance during the term will not be allowed to defer the final exam. The requirement for satisfactory in-term performance is an overall mark of 50% or better on the assignments and test. Students with unsatisfactory in-term performance who miss the final exam will be awarded FND for the course.
NOTE: The final exam will be comprehensive, covering material from the entire course. If you are awarded less than 40% on the final exam, you will receive an “F”, regardless of your total mark in the course. All final grades are subject to the dean's approval.

There may be cases in which a student is permitted by University regulations to miss a graded component of the term work in a course. In such circumstances there will be no make-up assignment or test. The grade weighting corresponding to the missed component will be added to the grade weighting of the final exam.

Doing Well in the Class

1. Read the chapter before the class.
2. Do all self-test questions and all suggested questions for each chapter. The critical thinking questions will help you to put chapter concepts into your own words, which will help you develop a “feel” for what’s Going on.
3. Answers to text problems will be available on CUlearn. Don’t look at the answer to a problem until you have worked at the problem long enough to feel frustrated. Looking at posted answers without “working” problems is a waste of your time.
4. Work at the course throughout the term. Cramming before tests won’t enable you to develop an understanding of the material.

DECLARATION OF ACADEMIC INTEGRITY

Course #:

Term and year:

Assignment #:

The University Senate defines plagiarism in the regulations on instructional offenses as: “to use and pass off as one’s own idea or produce work of another without expressly giving credit to another.”

Borrowing someone else’s answers, unauthorized possession of tests or answers to tests, or possession of material designed in answering exam questions, are also subject to university policy regarding instructional offenses.

Photocopying substantial portions of a textbook (e.g. more than 1 chapter or 15% of the total page count) without the publisher's permission is another misuse of intellectual property, and is also a violation of Canadian copyright law. Access Canada's web site provides guidelines on legitimate copying. Instructional offence cases would be referred to the Associate Dean (Undergraduate Studies); individual solutions are not permitted.

I/we declare that the work submitted in the attached assignment is my/our work. This work has not been shared with anyone outside this group. All sources have been referenced in the
footnotes, endnotes or bibliography.

Signature of student
Everyone must sign to receive a grade

Student Name
Student ID
Student Name
Student ID
Student Name
Student ID
Student Name
Student ID

Due Date
Date and hour received, if late
Penalty for delay, if applicable
<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Chapters</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Review Cash Flows, CCA</td>
<td>Sections 2.3-2.5</td>
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<tr>
<td>2</td>
<td>Capital Budgeting</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Capital Budgeting</td>
<td>10,</td>
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<tr>
<td>4</td>
<td>Project Analysis and Evaluation, Quiz#1</td>
<td>11</td>
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<tr>
<td>5</td>
<td>Cost of Capital</td>
<td>14</td>
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<tr>
<td>6</td>
<td>Raising Capital, Quiz#2, Assignment 1 due</td>
<td>15</td>
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<td></td>
<td><strong>WINTER BREAK</strong></td>
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<td>7</td>
<td>MID-TERM EXAM (in-class)</td>
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<tr>
<td>8</td>
<td>Leverage and Capital Structure</td>
<td>16</td>
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<tr>
<td>9</td>
<td>Leverage and Capital Structure</td>
<td>16</td>
</tr>
<tr>
<td>10</td>
<td>Dividend Policy Quiz #3</td>
<td>17</td>
</tr>
<tr>
<td>11</td>
<td>Lease Financing</td>
<td>22</td>
</tr>
<tr>
<td>12</td>
<td>Mergers &amp; Acquisitions, Assignment 2 due</td>
<td>23</td>
</tr>
<tr>
<td>13</td>
<td>Review</td>
<td></td>
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</tbody>
</table>
**Course Sharing Websites**
Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Required calculator in BUSI course examinations**
If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

**Group work**
The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

- A+ = 90-100  
- B+ = 77-79  
- C+ = 67-69  
- D+ = 57-59

- A  = 85-89  
- B  = 73-76  
- C  = 63-66  
- D  = 53-56

- A - = 80-84  
- B - = 70-72  
- C - = 60-62  
- D - = 50-52

- F  = Below 50
- WDN = Withdrawn from the course
- ABS = Student absent from final exam
- DEF = Deferred (See above)
- FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

**Academic Regulations, Accommodations, Etc.**
University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

[http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/](http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/)
Requests for Academic Accommodations

For Students with Disabilities:
The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2015 exam period is November 6, 2015 and for the April 2016 exam period is March 6, 2016.

For Religious Obligations:
Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:
Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include; a grade of Failure in the submitted work and/or course; academic
probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/.

**Sprott Student Services**

The Sprott student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you’re having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! [http://sprott.carleton.ca/students/undergraduate/support-services/](http://sprott.carleton.ca/students/undergraduate/support-services/)

Be in the know with what’s happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents Sprott.

**Important Information:**

- Students must always retain a hard copy of all work that is submitted.
- All final grades are subject to the Dean’s approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, it would be easier to respond to your inquiries if you would send all email from your Carleton account. If you do not have or have yet to activate this account, you may wish to do so by visiting http://carleton.ca/ccs/students/
Winter Term 2016: Important Dates

January 4, 2016
University reopens.

January 6, 2016
Winter term classes begin.

January 19, 2016
Last day for registration for winter term courses.
Last day to change courses or sections (including auditing) for winter term courses.

January 31, 2016
Last day for withdrawal from winter term and winter portion of fall/winter courses with full fee adjustment.

February 1, 2016
Last day for receipt of applications for admission to the Bachelor of Architectural Studies and the Bachelor of Social Work degree programs for the fall/winter session.

February 12, 2016
April examination schedule available online.

February 12-20, 2016
Fall term deferred final examinations will be held.

February 15, 2016
Statutory holiday. University closed.

February 15-19, 2016
Winter Break, no classes.

March 1, 2016
Last day for receipt of applications from potential spring (June) graduates.
Last day for receipt of applications to, Bachelor of Humanities, Bachelor of Industrial Design, Bachelor of Information Technology (Interactive Multimedia and Design), Bachelor of Journalism, Bachelor of Journalism and Humanities, and the Bachelor of Music degree programs for the fall/winter session.
Last day for receipt of applications for admission to an undergraduate program for the summer term.

March 6, 2016
Last day to submit, Formal Examination Accommodation Forms to the Paul Menton Centre for Students with Disabilities, for April examinations.

March 24, 2016
Last day for tests or examinations in courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

March 25, 2016
Statutory holiday, University closed.

April 1, 2016
Last day for receipt of applications for admission to an undergraduate program for the fall/winter session, from candidates whose documents originate outside Canada or the United States, except for applications due February 1 or March 1.

April 8, 2016
Winter term ends.
Last day of fall/winter and winter term classes.
Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for fall/winter and winter term courses.
Last day for academic withdrawal from fall/winter and winter term courses.
April 9-10, 2016
No classes or examinations take place.
April 11-23, 2016
Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all seven days of the week.
April 23, 2016
All take home examinations are due on this day.
May 1, 2016
Last day for receipt of applications for undergraduate internal degree transfers to allow for registration for the summer session.
June 1, 2016
Last day for receipt of applications for admission to an undergraduate program for the fall/winter session except for applications due February 1 or March 1 or April 1.
June 6-16, 2016
Fall/winter and winter term deferred final examinations will be held.