1.0 COURSE COORDINATOR, INSTRUCTOR AND TIMING

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Office hours: Monday 5 – 6 P.M., Monday 2.30 – 3.30 P.M. or by appointment

2.0 COURSE DESCRIPTION

This course offers a broad overview of finance from the perspective of the financial manager. It focuses on financing securities and choices faced by the firm, its decisions about capital structure and dividend policy as well as working capital management.

This is the second of the two core courses in finance and the course is designed to meet the needs of a wide array of students; many may not have any interest in choosing finance as their area of concentration. Thus, the content of this course covers broad but key concepts, principles, and analytical tools that are of interest to anyone who intends to work in business. The course should also help you gain an appreciation for some key areas of financial decision making and its importance to the success of the enterprise.

2.1 CALENDAR DESCRIPTION

Aspects of corporate finance of most concern to managers: investment, financing and payout decisions, corporate restructuring. Case studies will be used.
Prerequisite(s): ACCT 5001, ACCT 5002, BUSI 5801 and FINA 5501.

3.0 COURSE OBJECTIVES

Upon completion of this course, students will be expected to have:

1. a general understanding of the financing choices faced by the Financial manager
2. an understanding of the traditional as well as some hybrid securities and corresponding issues
3. an understanding of time tradeoffs between debt and equity as well as between internal and external financing
4. Issues related to short term financing and working capital and its components

4.0 METHOD OF INSTRUCTION

The format of the course consists generally of one 170-minute class meetings per week. Due to time constraints not all chapter material will be covered in class. Students are responsible for the entire content of each chapter of the textbook as well as all additional topics discussed in class, except for those areas specifically excluded by the instructor.

Class sessions entail a mixture of lecture, mini cases, problems and class discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading or chapters and are prepared for each class. Lectures may only cover major topics and readings, yet you are responsible for all assigned materials. The sessions are expected to be interactive and class participation from each one of you is encouraged.

5.0 GRADING SCHEME

Your grade for the course will depend on both individual work and group work outside of the class, and classroom contributions, as outlined below:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Two Group hand ins</td>
<td>20</td>
</tr>
<tr>
<td>Two mini tests (3rd and 6th week)</td>
<td>30</td>
</tr>
<tr>
<td>Final exam</td>
<td>50</td>
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</tbody>
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There is tutorial available to those who want to attend, the exact time slots and the name of TA would be announced in the first week of classes.

** Satisfactory In-term Performance

1) The requirement for Satisfactory In-term Performance is set at 50% of all pre-final term work (i.e. assignments, tests, etc.).

2) Unsatisfactory In-term Performance in this course will lead to Failure in this course (regardless of the performance at the Final exam) FND (Failure, no deferral) grade in this course (in case of missed Final exam)

3) Make up tests are not provided.
5.1 Individual Class Participation

The intent is to have an interactive class. Students are expected to ask questions and contribute to class discussions on a constructive and regular basis. Much of your learning will occur during class discussions.

5.2 Group work

Group work should be completed in a group of maximum 4 members, forming a group is not compulsory; individual hand-ins are accepted as well. You will provide the names of your group members to the instructor no later than the second session.

Throughout the course, we will be discussing key concepts such as risk and return, internal and external financing, governance, capital structure, cost of capital, dividend policy, working capital management, etc. The report requires that you select five publicly listed Canadian companies listed on the Toronto Stock Exchange for at least 5 years and preferably from the non-financial sector. You will be asked to know and write two group reports (specific instructions will be provided at the end of each session) which will convey to the instructor that you have understood and can relate these concepts to real companies. These reports are typically expected to have no more than 5 pages (1.5 lines spaced) with 5 tables/charts. Some groups may be chosen to explain/present to the class (maximum 10 minutes) what they found; groups will be assigned prior to the session. Please always retain a hard copy of all work that is submitted.

NO LATE SUBMISSION WILL BE ACCEPTED.

5.3 Drop Course Policy:

The deadline for academic withdrawal is the last day of classes (each term).

5.4 FINAL EXAM

The final examination will test your understanding of the concepts that will be covered in both the lecture and case components of the course. It will be held during the examination period. Its format will be explained during the last week of class. Given the nature of this examination, the only valid excuse for missing the exam is one of a medical nature and must be documented by a medical certificate. If the exam is missed for medical reasons, students will have to apply for a deferred examination.

Deferred Final Examination:
Students unable to write a final examination because of illness or other
circumstances beyond their control must contact the instructor in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and or appropriate document/s to support the reason for the deferral. Deferred exams are not granted for students who have made travel arrangements that conflict with examination schedule.

5.5 CU Learn

I will be using CU Learn in this course. If you want to ask me a question electronically, you will have to send the email to vijay.jog@carleton.ca. I will try to respond within 48 hours.

5.6 Tutorials

Weekly tutorials will be offered in this course. The tutorials are designed to offer additional reinforcement on the topics covered. Typically, questions will be uploaded to CU Learn for students to attempt, and should they require clarification, the tutorial will offer that. If a student is fully confident and comfortable with the material, there may not be any value added with the tutorial. However, those students who are taking finance courses for the first time are strongly advised to attend the tutorials. The time slots and the name of the tutor would be announced in the first week of classes.

6.0 OFFICE HOURS

Monday 2.30 – 3.30 p.m. or 5 - 6 p.m. with appointment

7.0 COURSE MATERIALS

7.1 Required Text


8.0 CONDUCT

Professional conduct is built upon the idea of mutual respect. Such conduct entails (but is not necessarily limited to):

- Attending the class.
  
  Each class benefits from the attendance and participation of all students. Your grade for participation will be affected by absences. Regular class attendance is important and required. I expect you to attend class and contribute to a quality discussion. Class and team discussion of the materials (e.g., readings, assignments, and cases) are an important part of the learning process. If circumstances prevent attendance at a class meeting, please remember that you are
responsible for all materials discussed, handouts distributed, assignments covered, and announcements made.

- **Arriving on time.**
  Late arrivals are disruptive to both lectures and class discussion, and show disrespect to those who are on time.

- **Minimizing disruptions.**
  You should not leave and re-enter the class. All cell phones and electronic communication devices should be turned off during class. You should avoid engaging in side conversations after class has begun.

- **Focusing on the class.**
  While you may take notes on laptops, do not use laptop computers or handheld devices for other tasks while in class. Activities such as net surfing and answering email are very impolite and disruptive both to neighbors and the class.

- **Being prepared for class:**
  You should be ready to discuss any assigned readings and to answer any assigned questions for each day's class, including being ready to open a case assigned for that day.

- **Respect.**
  You should act respectfully toward all class participants. Class participation grading reflects student adherence to these principles; students gain credit for contributing valuable insights and students lose credit if they fail to adhere to any of the above guidelines.

- **Use of laptops**
  You can use laptops in the class only for viewing the session PPTs, use of laptops or cell phones for non-class related usage (e.g. surfing the net, using social media) is strictly prohibited.

### 9.0 STUDENT PREPARATION

#### 9.1 Background reading

Each session requires you to complete the reading or chapters associated with that session. The content of any lecture presumes and expects that you have carefully studied the assigned reading.

#### 9.2 Homework cases and problems

Students learn materials best when they have to apply them, rather than
listening to lectures. So, you should expect to solve problems every week.

10.0 ACADEMIC INTEGRITY

Ethics and values are very important in accounting and the world of business, non-profit and government organizations. We will consider ethical issues in accounting throughout this course. Ethics and values are also important in education. Instructors will assume, unless there is evidence to the contrary, that you are an ethical student. To help you fulfill your ethical responsibilities as a student, the ethical standards for this course are listed below.

10.1 Graded Assignments

All work is to be performed exclusively by the individual student.

10.2 Examinations

All exams must be the exclusive work of the individual student.

10.3 Plagiarism

The University’s Senate defines plagiarism in the regulations on instructional offences as: “to use and pass off as one’s own idea or product 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 to help answering exam questions, are also subject to university policy regarding instructional offences. For more information on Carleton University’s Academic Integrity Policy, consult: [http://www.carleton.ca/studentaffairs/academic_integrity](http://www.carleton.ca/studentaffairs/academic_integrity)

The photocopying of 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 website provides guidelines on legitimate copying. You may also find useful information at: [http://library.wlu.ca/access/guidelines.htm](http://library.wlu.ca/access/guidelines.htm)

10.4 Penalty for academic integrity violations

University recommended sanctions for academic integrity violations will be imposed. All academic integrity violations must be reported.

11.0 REQUIRED CALCULATOR IN BUSI COURSE EXAMINATIONS

Starting Fall 2007, only Texas Instruments BA II Plus calculators will be
permitted in all Business course examinations. This calculator is available in the campus bookstore (1st floor, University Centre) and at various other off-campus retail stores.

12.0 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. If you have a group assignment, you may find useful the resources at http://sprott.carleton.ca/academic_programs/groupwork.html

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.

13.0 PERSONS WITH DISABILITIES

Students with disabilities requiring academic accommodations in this course are encouraged to contact a coordinator at the Paul Menton Centre (PMC) for Students with Disabilities to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with your instructor at least two weeks prior to the first in-class test or ITV midterm exam. This is necessary in order to ensure sufficient time to make the necessary arrangements.

14.0 RELIGIOUS OBSERVANCE

Students requesting academic accommodation on the basis of religious observance 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 academic 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
15.0 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.

16.0 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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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/](http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/).

17.0 CHANGES TO THE SYLLABUS

A syllabus is a tool to help you plan your time. Every effort is made to make the syllabus as complete as possible, but there may be occasions when changes are required. The instructor will announce any deviations from the syllabus in class and the change will be posted on the course web page.
## TENTATIVE CLASS SCHEDULE

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<thead>
<tr>
<th>Week/Date</th>
<th>Lecture</th>
<th>Readings</th>
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<tbody>
<tr>
<td>Week 1: January 5</td>
<td>Course outline Quick review of 5501 Introduction to 5502 Investment decisions and CCA – impact of taxes on cash flows</td>
<td>Chapter 9 Also read Chapter 8</td>
</tr>
<tr>
<td>Week 2: January 12</td>
<td>Risk and Return and capital budgeting</td>
<td>Chapter 11 and 12</td>
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<tr>
<td>Week 3: January 19</td>
<td>Mini test Cost of Capital</td>
<td>Chapter 13</td>
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<tr>
<td>Week 4: January 26</td>
<td>Submit cost of capital hand in – group report Capital structure Dividend policy</td>
<td>Chapter 16 Chapter 18</td>
</tr>
<tr>
<td>Week 5: February 2</td>
<td>An Overview of Corporate financing Venture capital, IPOs and Seasoned offering</td>
<td>Chapter 14 Chapter 15</td>
</tr>
<tr>
<td>Week 6: February 9</td>
<td>Submit capital structure hand and dividend policy ins Mini test Working capital management Review and wrap up</td>
<td>Chapter 21 Chapter 22</td>
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