



**Carleton**  
UNIVERSITY

**SPROTT**  
SCHOOL OF BUSINESS

**BUSI 2503  
INTRODUCTION TO FINANCE  
COURSE OUTLINE  
FALL 2020**

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**Instructor: Professor Isaac Otchere**  
**Email: [isaac.otchere@carleton.ca](mailto:isaac.otchere@carleton.ca):**

**Office: DT 1712**  
**Phone: (613) 520-2600 Ext. 2731**

**Course Schedule & location**  
**Office Hours:**

Online  
Tues. 3.30pm-5.00pm (BigBlueButton)

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**Modality: Online (3 hrs asynchronous)**

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**Course Description**

**BUSI 2503 Introduction to Finance**

Basic issues and practices in finance. Survey of business firms' financing, investment, and payout decisions. Emphasis on understanding the principals, resources and trade-offs in the financial area of a business.

Precludes additional credit for [BUSI 2504](#) and [ECON 3050](#). No credit for students in B.Com., BIB.

Prerequisite(s): second-year standing.

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**Purpose of the Course**

The primary goal of this introductory finance course is to provide students with an integrated framework to analyze individual and corporate investments and financing decisions. It also provides an introduction to and applications of the standard techniques in business finance. Students will be introduced to the notion of both time and risk and how they affect the valuation of financial securities including bonds, stocks and real assets or investments projects undertaking by corporations.

This course, which serves as the foundation for more advanced finance courses, will enable student to gain a good understanding of financial markets.



## Learning Objectives for the Course

Upon completing this course, students will be able to:

- Discuss the main methods for measuring the time value of money.
- Use financial tools to solve real life problems.
- Evaluate borrowing and investment alternatives.
- Estimate the price of securities.
- Explain the risk and return relationship and its use in valuation.

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## Course teaching approach

In this online course, the learning largely occurs at home or wherever you feel comfortable reading, viewing lecture videos, studying and working with the course material. There are weekly lectures (lecture videos and powerpoint slides) and practice problems. The practice problems provide a good opportunity to review and practice the course material. The following order is recommended for each week:

- Read the text book chapter related to the topic
- Watch the Lecture videos and review the powerpoint slides
- Solve the Practice Problems
- Do the Quiz

## Required Text and Materials

Brealey, Myers, Marcus, Maynes, Mitra and Lim, Fundamentals of Corporate Finance, 6<sup>th</sup> Canadian Edition, McGraw Hill Ryerson, 2016.

## GRADE COMPONENTS

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Component	% of Grade	Due date	Duration
Quizzes (best 6 quizzes)	20%	weekly	30 mins each
2 Assignments	20%	Oct 10/Nov 14	Takehome
Mid-Term Exam	20%	Oct 16	<b>90 mins</b>
Final Exam	<u>40%</u>	TBD	180
Total	<u>100%</u>		

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**(1) Class preparation**– You are expected to have covered the readings before class. After class, you should re-read the chapter to gain further understanding of the material.

**(2) Practice Problems** – Finance cannot be learned without solving problems. To ensure that you understand the course material, weekly practice problems will be given. These problems will NOT be graded. However, it is strongly recommended that you solve the assigned problems as they will help you prepare for the quizzes and exams. Working in groups to solve the practice problems is encouraged.

**(3) Assignments** – There will be two assignments. You may do them in groups (of 3 maximum) or individually. The assignments will cover concepts discussed in class but

will also require you to extend and apply ideas beyond sample problems. Late assignments will lose a certain percentage of the marks (depending on how late it is), so check the instructions carefully to see the different levels of deductions when an assignment is submitted late. Further details of the assignments will be provided in due course. You should retain a hard copy of your assignments.

### **Late Assignments:**

To ensure fairness for all students, penalties will be applied to late assignments: Failure to submit an assignment on time will result in an initial penalty of five (5) percentage points, followed by an additional (2) percentage points per day thereafter. For example, an assignment that would normally merit a grade of 80% would receive a grade of 75% if submitted after the deadline on the due date, 73% if submitted the following day, and so on. Requests for extension will be considered ONLY in cases of illness, family emergency, or other exceptional circumstances supported by medical note.

**(4) Quizzes** – There will be 12 weekly quizzes (one quiz per lecture) of which you are expected to write at least 6 of them. You can choose to do more than 6 quizzes, but only your **best 6 quizzes** will be used to determine your grade. The goal of the quizzes is to measure your understanding of the material covered in class but will also require you to extend and apply ideas beyond sample problems. The quizzes will consist of 10-15 multiple choice questions and will be 30 minutes long. The questions are algorithmic, each time a question is generated on a particular concept, it will have different numbers. Each week's quiz has to be completed by Saturday 11.55pm. There will be no make-up quiz, so if by the end of the semester you have missed any of the 6 quizzes, you will lose the marks for that quiz.

**(5) Midterm and Final Exam** – The mid-term test and the final exam will cover both theory and application of the topics covered in the course. Both are closed-book exams and will consist of multiple choice and short essay/problem type questions. The date for the mid-term test is shown in the schedule on the next page; the date for the final exam will be determined by the University later in the semester. **Please do not make any travel arrangements around the time of the mid term test, as no request for writing the test either before or after the scheduled date will be accommodated.**

### **Exam Attendance**

If a student is unable to write the mid-term test due to a medical or family emergency ONLY, the person will have another opportunity to write the missed midterm in the following week or the marks for the mid-term test will be allocated to the final exam. Medical documentation is required in these medical or family emergency cases. If a student is unable to write the final exam, the person may apply to the Registrar's Office to write a deferred examination. Deferral final examination will only be granted to students showing satisfactory performance (as described below). Please also see Sections 2.4, 2.5 and 2.6 of the Undergraduate Calendar. It should be noted that

deferred examination will NOT be granted to students who make travel plans that conflict with the mid term test or final examination.

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**Course Schedule (tentative and subject to change)**

Lecture/Week beg - end	Topic	Chp
L1: Sep 8-12	Overview of Corporate Financial Management & Financial Markets	1&2
L2: Sep 13-19	Measuring Corporate Performance: Financial Ratio Analysis	4
L3: Sep 20-26	Time Value of Money I	5
L4: Sep 27-Oct 3	Time Value of Money II	5
L5: Oct 4- 10	Valuing Bonds ( <b>Assignment 1 is due this week Saturday</b> )	6
L6: Oct 11-17	Valuing Stocks	7
Oct 16	<b>Mid-term test (Friday 8.00am-12.00pm Ottawa time)</b>	
L7: Oct 18-24	NPV and Other Investment Criteria	8
Oct 25-31	<b>Reading Week</b>	
L8: Nov 1- 7	Introduction to Risk and Return	11
L9: Nov 8-14	Cost of Capital Estimation ( <b>Assignment 2 is due this week Saturday</b> )	13
L10: Nov 15-21	Short term financial planning: Working capital management	20
L11: Nov 22-28	Working Capital Management: Cash and Inventory Management	21
L12: Nov 29-Dec 5	Working Capital Management: Credit Management and Collection	22
Dec 6- 11	Revision (No Lectures)	

**How to study Finance online**

Finance is a problem-based course that will require you to both understand the economic intuition of financial concepts and to perform mathematical calculation. The bulk of the learning occurs while you work on problems. To do well in this course, it is recommended that at the beginning of each week and each chapter, you read each of the learning objectives and the accompanying text, taking note of the big ideas in each objective. You should go through each of the examples provided in the PowerPoint and watch the appropriate videos if you do not understand any part of the material presented in that chapter. After you have finished reading each section you should attempt some practice questions for that learning objective (in the practice questions folder). If you get stuck, refer to the relevant section of the text for help. You might find a similar worked example on the concept.

As mentioned earlier, the bulk of the learning occurs while you work on problems. Studies have shown that students' performance in introductory finance course improves significantly with the number of questions attempted and completed correctly. I strongly recommend that when working on the practice problems you DO NOT LOOK at the solutions until you have solved the problems and have obtained your answer. Taking a peak at the answers while you are solving them will create the illusion that you are learning when indeed not much learning is occurring.

**Study Groups and Group work**

As part of the strategies for learning finance, and to get the most out of this online course, you are strongly encouraged to form a study group (of two to four people).

It is good practice that each member of the group attempt the problems individually before you meet to discuss them, and use the discussion forum to seek help and clarification on specific problems. It has been shown that students often receive very good explanations from fellow group members who just learned a concept themselves and the process of helping others also strengthens their own understanding of the material.

### **Academic Help**

Students who need help with the course content can get assistance in three different ways: 1) send an email to the TA (his/her email will be provided in due course) or the instructor; 2) use the discussion board/forum to ask questions, and 3) Drop-in TA support will be offered occasionally during the mid term and final exam periods. The schedule will be made available on CuLearn in the two weeks prior to the week of the exam.

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### *ADDITIONAL INFORMATION*

#### **Course Sharing Websites:**

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).

#### **Recommended Calculator for 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. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also an effective way to learn integrative skills for putting together a complex task. Your professor may assign one or more group tasks, assignments, or 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.

#### **Peer Evaluation for Group Work**

To deter social loafing and ensure fairness in grading, you will be asked to assess the contribution of your fellow group members. This information will be used when assigning the grade for the final project. The procedure is as follows: Each student should take 100 points and allocate those points to the various members of the group (including him or herself) to reflect the contributions made by each member. For

instance, if there are four members in a group and everyone contributed equally, each individual would receive 25 points. Conversely, if an individual contributed relatively little, the remaining group members might allocate few points to that member. To ensure that these peer evaluation scores are reasonable and free from personal bias, you will be asked to provide a detailed written explanation for your point allocation.

### **Letter Grades:**

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	F = Below 50
A = 85-89	B = 73-76	C = 63-66	D = 53-56	
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52	

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

### **Academic Regulations:**

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/>

### **Requests for Academic Accommodation:**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

- **Pregnancy**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **Religious Obligations**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **Students with Disabilities**

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC 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 your instructor as soon as possible to ensure accommodation arrangements are made. <https://carleton.ca/pmc/>

- **Survivors of Sexual Violence**

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: <https://carleton.ca/sexual-violence-support/>

- **Student Activities**

Carleton University recognizes the substantial benefits, to both the individual student and the university, that result from participating in activities beyond the classroom experience. Reasonable accommodation will be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: <https://students.carleton.ca/course-outline/>

### **Academic Integrity:**

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—are a serious academic offence, weaken the quality of the degree, and will not be tolerated. Penalties may include; a grade of Failure on 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: <https://carleton.ca/registrar/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 are 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/learning-support/>

\* Note that the office is physically closed. However, e-drop in is available between 8:30-4:30 until social distancing requirements are updated by the Province.

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### **Centre for Student Academic Support:**

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: <https://carleton.ca/csas/>

### **Other 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, in order to respond to your inquiries, please send all email from your Carleton cmail account. If you do not have or have yet to activate this account, you can do so by visiting <https://carleton.ca/its/get-started/new-students-2/>
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