



## **Course Objectives**

---

This is an introductory course in finance. It addresses topics in finance that are important for all managers in organizations to understand. In addition to informing managers generally, these topics amount to an important foundation for higher level finance courses, and will be used extensively in those courses. Finally, some of the topics addressed in this course can help with personal financing and investment decisions.

It is the objective of this course to teach students:

- The principles of time value of money and how to apply them;
- The features of various kinds of financial instruments, how to value them, and how organizations can use them to raise the capital they need;
- Approaches to evaluating investment opportunities and making investment decisions;
- Measures of risk and how they are related to returns; and,
- General analytical skills in structuring and analyzing financial problems.

## **Class Format**

---

Classes will involve lectures, augmented with sample problems.

## **Tutorials**

---

The tutorials are an important part of this course. They are closely integrated with the classroom material, the quizzes, the mid-term test, and the final exam. They will start in the 2<sup>nd</sup> or 3<sup>th</sup> week of term. Specific timing will be announced in class and on CULearn. The tutorials will address, for the most part, the problems shown in bold on the list below in the week after each Chapter is addressed in class. Students are recommended to attempt all of the problems listed for each Chapter before its associated tutorial. While the tutorials will focus on the problems shown in bold, students are encouraged to use the tutorials to address any of the problems or any other issue they are having with the course material. Students are encouraged to work in groups to complete these problems.

### **Problem List**

Chapter 5:	2, 3, 4, 5, <b>8, 9, 13</b> , 17, <b>19, 20</b>
Chapter 6:	6, 7, <b>8</b> , 11, <b>15</b> , 16, <b>21</b> , 25, 26, <b>44, 55, 57</b> ,
Chapter 7:	<b>3</b> , 5, 6, <b>8, 7</b> , 19, 20, <b>23</b> ,
Chapter 8:	<b>4, 7, 8, 9, 10, 12</b>
Chapter 9:	1, <b>4</b> , 6, 7, 8, <b>9, 13</b> , 14, <b>15</b> , 16, <b>17</b> , 23
Chapter 2:	2, 3, 4, <b>5</b> , 9, 10, <b>14, 18, 21</b>
Chapter 12:	<b>1, 2, 4, 7, 15</b>
Chapter 13:	1, 2, <b>3, 11, 12, 13, 16</b> ,
Chapter 14:	3, 4, 7, <b>8, 15, 16</b> , 17, 19, 20, <b>21</b>
Chapter 15:	2, 4, 5, 7, 8, <b>10, 11</b> , 15

## **Required Text**

---

Ross, Westerfield, Jordan and Roberts, *Fundamentals of Corporate Finance, 9<sup>th</sup> Canadian Edition*, McGraw-Hill Ryerson, 2016.

## Grading

---

	Weighting
4 Quizzes at 2.5 marks each	10
Term test	30
Final exam	60
Total	100

The **quizzes** will be delivered using CULearn. Specific timing will be announced in class. It is our intention to open up each quiz for completion in the week indicated for a few days (specifics to be determined) to enable students to work around other commitments or course deliverables they may have. Material covered in all of the weeks preceding a quiz is eligible for inclusion in a quiz, but the quizzes will attempt to focus on material recently taught in class and the tutorials.

The **term test** will be held in class in the week indicated. Material covered up to and including the class before the term test is eligible to be addressed in the term test. An equation sheet and discounting tables will be provided for use in the term test; a copy will be posted on CULearn so students can see what it includes.

The **final exam** will be comprehensive, covering material from the entire course. An equation sheet and discounting tables will be provided for use in the final exam; a copy will be posted on CULearn so students can see what it includes.

Students are permitted to miss the mid-term or any of the quizzes at their discretion. The weighting of a missed mid-term or quiz will be added to the weighting of the final exam.

## Student Responsibilities

---

Students are responsible reading each chapter listed in the course outline and knowing the material in those chapters whether or not specific mention of certain topics is made in class and regardless of whether or not topics are addressed in class. Because of time constraints, it is not possible to cover all the chapter material in class. Class time will be spent on the most important topics and on the topics from which students receive the most benefit from explanation in class.

## Doing well in this course

---

1. Read the indicated chapter before class in which it is to be addressed;
2. Do the self-test questions in the chapter immediately after you read it;
3. Use the critical thinking questions at the end of each chapter to help you put concepts into your own words; this will help you develop a level of comfort with the material.
4. Use class time to ask questions about things that were not clear to you from reading the chapter;
5. Do the listed problems before the relevant tutorial;
6. Attend the tutorials to see how the problems identified in bold can be solved and to ask questions about issues you may have with the other problems or with other course material;

7. While solutions to the end-of-chapter problems will be provided at the beginning of the course, attempt problems before looking at their solutions; looking at the solution first leads to under-estimation of a problem's difficulty and over-estimation of your ability to solve it;
8. Experiment with examples presented in class using your calculator and spreadsheets to develop your understanding of how the calculations and solution approaches work; re-doing a class example, *and* re-working an example with different values can significantly improve your understanding or un-cover things you are not understanding;
9. Work at the course throughout the term, practice as you go along, and deal with things you don't understand as they arise; it is difficult to be successful with the kind of material covered in this course by cramming before the term test or exam;
10. Think about ideas addressed in the course outside of class, for example, when reading the newspaper or watching the news on television; question whether what you are seeing or hearing makes sense in light of your knowledge of the course concepts?

### Course Schedule for BUSI 2504 A & B

<b>Tuesday</b>	<b>Topics</b>	<b>Chapters</b>
Sept. 13	Introduction to Financial Management Future Value and Present Value	1 5 (begin)
20	Time Value of Money (TVM) TVM with Multiple Cash Flows	Rest of 5 6.1 – 6.3
27	Time Value of Money continued <b>Quiz 1</b>	Rest of 6
Oct 4	Valuing Bonds	7 + 7A
11	Valuing Stocks	8
18	Capital Budgeting: Net Present Value Cash Flow <b>Quiz 2</b>	9 2.1 – 2.4
25	<b>Fall Break</b>	
Nov 1	<b>NO LECTURE Term Test 1 (Ch's 1, 5, 6, 7, 8)</b>	
8	Market History & Market Efficiency	12
15	Risk & Return: Portfolios <b>Quiz 3</b>	13
22	Risk & Return, continued	
29	Cost of Capital Raising Capital <b>Quiz 4</b>	14 15
Dec 6	Credit Management	20.1 – 20.6

### Course Schedule for BUSI 2504 C & D

<b>Friday</b>	<b>Topics</b>	<b>Chapters</b>
Sept 9	Introduction	

	Introduction to Financial Management	1
16	Future Value and Present Value	5 (begin)
23	Time Value of Money (TVM) TVM with Multiple Cash Flows	Rest of 5 6.1 – 6.3
30	Time Value of Money continued <b>Quiz 1</b>	Rest of 6
Oct 7	Valuing Bonds	7 + 7A
14	Valuing Stocks	8
21	Capital Budgeting: Net Present Value Cash Flow <b>Quiz 2</b>	9 2.1 – 2.4
28	<b>Fall Break – NO LECTURE</b>	
Nov 4	<b>Term Test 1 (Ch's 1, 5, 6, 7, 8)</b>	
11	Market History & Market Efficiency	12
18	Risk & Return: Portfolios <b>Quiz 3</b>	13
25	Risk & Return, continued	
Dec 2	Cost of Capital	14
	Raising Capital	15
	Credit Management <b>Quiz 4</b>	20.1-20.6

### Course Schedule for BUSI 2504 E

Thurs	Topics	Chapters
Sept 8	Introduction	1
	Introduction to Financial Management	1
15	Future Value and Present Value	5 (begin)
22	Time Value of Money (TVM) TVM with Multiple Cash Flows	Rest of 5 6.1 – 6.3
29	Time Value of Money continued <b>Quiz 1</b>	Rest of 6
Oct 6	Valuing Bonds	7 + 7A
13	Valuing Stocks	8
20	Capital Budgeting: Net Present Value Cash Flow <b>Quiz 2</b>	9 2.1 – 2.4
27	<b>Fall Break – NO LECTURE</b>	
Nov 3	<b>Term Test 1 (Ch's 1, 5, 6, 7, 8)</b>	
10	Market History & Market Efficiency	12

17	Risk & Return: Portfolios <b>Quiz 3</b>	13
24	Risk & Return, continued	
Dec 1	Cost of Capital	14
	Raising Capital	15
	<b>Quiz 4</b>	
8	Credit Management	20.1 – 20.6

Please consider the above the plan for the term. It can transpire that topics and tutorial problems can take more or less time to cover than planned.

### **IMPORTANT ADDITIONAL INFORMATION**

#### **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).

#### **RECOMMENDED 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. Only non-programmable calculators without text storage capabilities will be allowed in the test and exam for this course.

Printed translation dictionaries are allowed, as long as they do not contain handwritten notes. Electronic translation dictionaries are not allowed.

#### **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.

#### **ACADEMIC ACCOMMODATION**

*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](mailto: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*). **Requests made within two weeks will be reviewed on a case-by-case basis.** After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website ([www.carleton.ca/pmc](http://www.carleton.ca/pmc)) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

### **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 assistance.

### **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://carleton.ca/studentaffairs/academic-integrity>.

### **ASSISTANCE FOR STUDENTS**

---

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

### **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/>

### **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.
  - Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, 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 CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
-