



**CARLETON UNIVERSITY
FINANCE
BUSI 2504, A, B, C & D
FALL 2019
BUSINESS FINANCE I**

A & B

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C & D

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Course Meets:

Section A:	Wednesday	8:35 – 11:25
Section B:	Wednesday	2:35 – 5:25
Section C:	Thursday	2:35 – 5:25
Section D:	Friday	2:35 – 5:25

Tutorials

Monday	8:35 – 9:25
Monday	10:35 – 11:25
Tuesday	18:05 – 18:55
Friday	10:35 – 11:25

Faculty Office Hours: To be posted on CULearn once TAs have been appointed
TA Office Hours: To be posted on CULearn once TAs have been appointed

Pre-requisites & precluded Courses:

[ECON 1000](#) or [ECOR 3800](#), [BUSI 1005](#). Restricted to selected Sprott programs. Precludes additional credit for BUSI 2503. **The School of Business enforces all prerequisites.**

Course Calendar description from the 2019/2020 University calendar:

Business firms' financing, capital investment, and dividend policy decisions, cost of capital and short-term asset management problems.



Course Description:

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.

Learning Outcomes:

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.

Reading(s)/Textbook(s)/Required Materials:

Ross, Westerfield, Jordan, Roberts, Pandes & Holloway *Fundamentals of Corporate Finance*, 10th Canadian Edition, McGraw-Hill Ryerson, 2019.

Course Requirements & Methods of Evaluation (including due dates):

	Weighting (%)
Participation/team assignments	10
Term test (due date on course schedule)	35
Final exam	55
Total	100

A description of the **participation/team assignment** component of the course and its evaluation will be provided in class.

The **term test** will be a two-hour test comprised of 30 multiple choice questions held in the week indicated. Material covered up to and including the end of Chapter 8 is eligible to be addressed in the term test. Students who are unable to write the term test because of a serious illness/emergency or other circumstances beyond their control, and who provide appropriate supporting documentation, may request accommodation. The instructors will use their best efforts to provide a make-up term test for eligible students in the week following the originally scheduled term test.

The **final exam** will be a three-hour test comprised of 50 multiple choice questions held during the usual exam period. Material covered during the entire course is eligible to be addressed in the final exam.

In both the term test and the final exam 40-60% of the questions will be based on theory and 40-60% will be quantitative.

An **equation sheet** and discounting tables will be provided to students prior to the term test and the final exam. Students will also be provided with the equation sheet and discounting tables in the term test and final exam.

In cases where a student's mark on the final exam exceeds the class participation mark, the final exam mark will be substituted for this evaluation item.

Course Schedule:

Sections A, B & C

Week beginning	Topics	Chapters
Sept 2	Overview of Corporate Finance	1
	Introduction to Valuation: The Time Value of Money	5 (begin)
9	Time Value of Money (continued)	Rest of 5
	Discounted Cash Flow Valuation	6.1 – 6.3
16	Discounted Cash Flow Valuation	Rest of 6 (Excl. 6A)
23	Interest Rates and Bond Valuation	7 (excl. 7A)
30	Stock Valuation	8
Oct 7	Net Present Value and Other Investment Criteria	9
14	Term Test 1 (Ch's 1, 5, 6, 7, 8)	
21	Fall Break – NO LECTURE	
28	Lessons from Capital Market History	12
Nov 4	Return, Risk and the Security Market Line	13
11	Risk & Return, continued	
18	Cost of Capital	14
25	Raising Capital (excluding rights valuation)	15
Dec 2	Topical issues in finance and course review	

Section D

Week beginning	Topics	Chapters
Sept 2	Overview of Corporate Finance	1
	Introduction to Valuation: The Time Value of Money	5 (begin)
9	Time Value of Money (continued)	Rest of 5
	Discounted Cash Flow Valuation	6.1 – 6.3
16	Discounted Cash Flow Valuation	Rest of 6 (Excl. 6A)
23	Interest Rates and Bond Valuation	7 (excl. 7A)
30	Stock Valuation	8
Oct 7	Net Present Value and Other Investment Criteria	9
14	Term Test 1 (Ch's 1, 5, 6, 7, 8)	
21	Fall Break – NO LECTURE	
28	Lessons from Capital Market History	12
Nov 4	Risk & Return: Portfolios	13
11	Risk & Return, continued	
18	Cost of Capital	14
25	Raising Capital (excluding rights valuation)	15
	Topical issues in finance and course review	

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).

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			

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 obligation

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:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

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:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for 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 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. 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 is 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: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must 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: students.carleton.ca/course-outline

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 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/>

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: carleton.ca/csas.

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 may wish to do so by visiting <http://carleton.ca/ccs/students/>
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