



BUSI 2505A BUSINESS FINANCE II FALL 2017

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Office Hours:
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Course meets: Fridays 8:35 to 11:25 am
Room: Tory Building (TB) 342

Pre-requisites& precluded Courses:

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

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 Calendar Description (from the 2017/2018 University calendar):

Capital investment and financing decisions in the context of risk and return trade-offs. Primary and derivative securities and their role in risk management, mergers, corporate restructuring, the theory of principal-agent relationships, and financial planning, forecasting, and control.

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: (i) risk /return analysis, (ii) capital budgeting under uncertainty, (iii) capital structure analysis, (iv) dividend policy, (v) lease financing, (vi) mergers and acquisitions, and (vii) risk management using derivatives, such as options.

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

Important learning objectives for the course are to teach students:

- Important details of financial management that could not be covered in 2504
- That risk and uncertainty can be managed as part of running a business
- To apply discounted cash flows techniques as a general and powerful tool in understanding business decisions

Class Format:

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

Textbook:

Ross, Westerfield, Jordan and Roberts, Fundamentals of Corporate Finance, 9th Canadian Edition, McGraw-Hill Ryerson, 2016

Calculators & BUSI Course Examinations

If you are purchasing a calculator, we recommend any one of the following options: (i) Texas Instruments BA II Plus (including Pro Model), (ii) Hewlett Packard HP 12C (including Platinum model), (iii) Staples Financial Calculator, (iv) Sharp EL-738C or (v) Hewlett Packard HP 10bII. Only non-programmable calculators without text storage capabilities will be allowed for the quizzes, and mid-term and final exams for this course.

Course Requirements & Methods of Evaluation:

	GRADE WEIGHT	DATE
2 in class Quizzes 2@5.0%	10%	1: week #4 2: week #10
Group Assignments (2 in total, group of 4 people), 2@7.5% [Must be typed, late assignments NOT accepted]	15%	1: due on week #6 2: due on week #12
Mid-term Exam	25%	week #7
Final Exam	50%	TBA DURING FINAL EXAM SCHEDULE

ASSIGNMENTS: There will be two assignments (to be posted on the course cuLearn site). 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**.

RETURNING QUIZZES, ASSIGNMENTS & MID-TERM: The quizzes, assignments and mid-term test will be returned once marked. The final exam is for evaluation purposes, not instruction and will not be returned to students.

FINAL EXAM – EXAMINATION SCHEDULE: 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.**

FINAL EXAM COVERAGE: The final exam will be comprehensive, covering material from the entire course.

FINAL EXAM GRADE MUST EXCEED 40%: If you are awarded less than 40% on the final exam, you will receive an “F”, regardless of your total mark in the course.

MISSED GRADED COMPONENT OF TERM WORK: 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

Course Schedule (*tentative & subject to change*):

WEEK	DATE	TOPICS	CHAPTERS
1	Sept 8	Review Cash Flows, CCA	Sections 2.3-2.5
2	Sept 15	Capital Budgeting	10
3	Sept 22	Capital Budgeting	10
4	Sept 29	Project Analysis & Evaluation QUIZ #1	11
5	Oct 6	Cost of Capital	14
6	Oct 13	Raising Capital ASSIGNMENT #1	15
7	Oct 20	MID-TERM EXAM (IN-CLASS)	
		<i>FALL BREAK OCT 23 -27</i>	
8	Nov 3	Leverage & Capital Structure	16
9	Nov 10	Dividend Policy	17
10	Nov 17	International Corporate Finance QUIZ #2	21
11	Nov 24	Lease Financing	22
12	Dec 1	Mergers & Acquisition ASSIGNMENT #2	23

Doing Well in the Class

1. Read the chapter before the class.
2. Do all self-test questions and all recommended questions (see course schedule below) 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 is going on.
3. Answers to textbook problems will be available on the course CULearn site. 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 will not enable you to develop an understanding of the material.

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, 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/>

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*). **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) for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

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 and instructors can confirm accommodation eligibility of a religious event or practice by referring to the Equity Services website (<http://carleton.ca/equity/accommodation/religious-observances/>) for a list of holy days and Carleton's Academic Accommodation policies. If there are any questions on the part of the student or instructor, they can be directed to 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 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: <http://carleton.ca/studentaffairs/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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