Instructor: Kobana Abukari  
Office: DT 1009  
Office Hours: Mon & Wed, 2:30pm-3:30pm  
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Phone Number: 520-2600 ext. 2287

Course meets: Mon Wed 11:35am - 2:25pm

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.

This Course is Prerequisite to:

BUSI 3500, BUSI 3502 and BUSI 3512 (with a grade of C+ or higher).
Course Calendar description from the 2015/2016 University calendar:

Capital investment and financing decisions in the context of risk and return tradeoffs. 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 Description and 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: capital budgeting under uncertainty, capital structure analysis, dividend policy, lease financing and mergers and acquisitions. 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 main goal of this course is to teach students how to apply an approach to financial decisions that uses future expectations about after-tax cash-flows, while accounting for uncertainty in the available information. Important learning objectives for the course are to teach students:

- How to apply discounted cash-flows techniques as a general tool in understanding business decisions
- That risk and uncertainty can be managed as part of running a business
- How to decide on the optimal capital structure and whether a firm should distribute a dividend to its shareholders or not

This course makes frequent use of quantitative techniques and models. Review 2504 notes!

Sample Problems – finance cannot be learned without solving problems. To ensure that you understand the material, sample problems will be given. These problems will not be graded. However, it is strongly recommended that you try solving the assigned problems as they will help you in preparation for quizzes and exams. Group work on the sample problems is encouraged.

Class Format

The majority of the classes will be comprised of lectures and the completion of sample problems
Reading(s)/Textbook(s):


Calculator: Texas Instruments BA II Plus

Course Requirements & Methods of Evaluation:

<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>Weight</th>
<th>Due Dates</th>
</tr>
</thead>
</table>
| 3 In-class Quizzes, 3@5%                            | 15%    | 1: lecture #4  
2: lecture #8  
3: lecture #11 |
| Group Assignments (2 in total, group of 4 people), 2@7.5% | 15%    | 1: due on lecture #6  
2: due on lecture #12 |
| [Must be typed, late assignments NOT accepted]      |        |                                    |
| Mid-term Exam                                       | 25%    | Lecture #7                         |
| Final Exam                                          | 45%    | TBA                                |

There will be two assignments (to be posted on CuLearn). 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**. **Do not share your work with students outside of your group.** Identical assignments will be treated as evidence of academic offence. **Please retain a hard copy of all work that is submitted in this course.**

There will be a midterm test for this course. Once marked, assignments and the test will be returned. The final exam is for evaluation purposes, not instruction. It will not be returned to students.

**Marks in the tests and assignments include a component for showing formulae and calculations.** The marking scheme will reflect the instructor’s interest in seeing the steps you take to solve a problem.

Only Texas Instruments BA II Plus calculators can be used in the test and examination. Translation dictionaries are allowed as long as they are in print format and do not contain any handwritten notes. Electronic translation dictionaries are not allowed.
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.**

**NOTE:** Students who do not demonstrate a minimum level of performance during the term will not be allowed to defer the final exam. The requirement for satisfactory in-term performance is an overall mark of 50% or better on the assignments and test. Students with unsatisfactory in-term performance who miss the final exam will be awarded FND for the course.

**NOTE:** The final exam will be comprehensive, covering material from the entire course. If you are awarded less than 40% on the final exam, you will receive an “F”, regardless of your total mark in the course.

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.

**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’s going on.
3. Answers to many text problems will be available on the 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 won’t enable you to develop an understanding of the material.

**Course Schedule (tentative and subject to changes*):**

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Date</th>
<th>Topics</th>
<th>Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jul 4</td>
<td>Review Cash Flows, CCA</td>
<td>Sections 2.3-2.5</td>
</tr>
<tr>
<td>2</td>
<td>Jul 6</td>
<td>Capital Budgeting</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Jul 11</td>
<td>Capital Budgeting</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Jul 13</td>
<td>Project Analysis and Evaluation, <strong>Quiz #1</strong></td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Jul 18</td>
<td>Cost of Capital</td>
<td>14</td>
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<tr>
<td>Lecture</td>
<td>Date</td>
<td>Topics</td>
<td>Chapters</td>
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<tr>
<td>6</td>
<td>Jul 20</td>
<td>Raising Capital, <strong>Assignment 1 due</strong></td>
<td>15</td>
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<tr>
<td>7</td>
<td>Jul 25</td>
<td><strong>MID-TERM EXAM</strong> (in-class)</td>
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<tr>
<td>8</td>
<td>Jul 27</td>
<td>Leverage and Capital Structure, <strong>Quiz #2</strong></td>
<td>16</td>
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<tr>
<td>9</td>
<td>Aug 3</td>
<td>Leverage and Capital Structure</td>
<td>16</td>
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<tr>
<td>10</td>
<td>Aug 8</td>
<td>Dividend Policy</td>
<td>17</td>
</tr>
<tr>
<td>11</td>
<td>Aug 10</td>
<td>Lease Financing, <strong>Quiz #3</strong></td>
<td>22</td>
</tr>
<tr>
<td>12</td>
<td>Aug 15</td>
<td>Mergers &amp; Acquisitions, <strong>Assignment 2 due</strong></td>
<td>23</td>
</tr>
</tbody>
</table>

*While every attempt will be made to keep to the schedule, circumstances may necessitate modifications during the semester.*
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).

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 (Section 2.3 Standing in Courses/Grading System), 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   WDN = Withdrawn from the course
ABS = Student absent from final exam
DEF = Deferred (See above)
FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

FND:
To reduce instances of miscommunication Carleton introduced a grade FND (Failure with No Deferral) to be assigned to students who fail to meet the minimum in-term performance standards explicitly set out in the outline and applied consistently (i.e., there is no other hidden criteria).

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). After requesting accommodation
from PMC, meet with me to ensure accommodation arrangements are made. Please
consult the PMC website for the deadline to request accommodations for the formally-
scheduled exam (if applicable).
- The deadlines for contacting the Paul Menton Centre regarding accommodation for final
exams for August exam period is July 24, 2016.

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 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.

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
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/).

**Assistance for Students:**
Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)
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/](http://sprott.carleton.ca/students/undergraduate/support-services/)
Be in the know with what’s happening at Sprott: Follow @SprottStudents and find us on Facebook SprottStudents

**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/](https://portal.carleton.ca/)
**Summer Term 2016: Important Dates**

Sessions:

- **Early Summer:** May 2, 2016 to June 14, 2016
- **Late Summer:** July 4, 2016 to August 16, 2016
- **Full Summer:** May 2, 2016 to August 16, 2016

**March 1**

Last day for receipt of applications for admission to an undergraduate degree program for the summer term.

**March 22**

*Last day for receipt of tuition payment* to avoid a hold that will prevent access to marks through Carleton Central and the release of official documents. An account balance may also delay Summer 2016 course selection. Allow adequate processing time as payments normally take 2 days to be applied to your student account.

**March 23**

*Carleton Central opens at 8:30 a.m. for registration* for Carleton University degree students (graduate and undergraduate). Check your timeticket [here](#).

**March 24**

Registration for Carleton Special (non-degree) students begins at 8:30 a.m.

**April 11**

Registration for University of Ottawa undergraduate students begins. Registration opens at 8:30 a.m.

**April 25**

Deadline for fee payment or assignment of funding to ensure payment is processed to your account without incurring a late charge. Payment of fees is due by the posted deadlines.

**May 1**

Last day for receipt of applications for undergraduate degree program transfers for the summer term.

**May 2**

*Early* summer and *full* summer courses begin.
May 9
Last day for registration and course changes (including auditing) for **early** summer courses.

May 13
Last day for registration and course changes (including auditing) for **full** summer courses. Graduate students who have not electronically submitted their thesis copy to the Faculty of Graduate and Postdoctoral Affairs will not be eligible to graduate in Spring 2016 and must register for the Summer 2016 term.

May 20
Last day for a full fee adjustment when withdrawing from **early** and **full** summer courses (financial withdrawal).

May 23
Statutory holiday, University closed.

June 3
Last day to submit to the Paul Mento Centre for Students with Disabilities, formal Examination Accommodation Forms for June examinations

June 6-16
Fall/Winter and Winter term deferred final examinations will be held.

June 7
Last day for tests or examinations in early and full summer courses below the 4000-level before the final examination period (see **Examination Regulations** in the Academic Regulations of the University section of this Calendar).

June 13
Final Summer term payment deadline. Any balance owing on your student account will prevent access to registration for future terms. Holds will be placed on unpaid summer accounts, which will prevent access to marks and/or registration for the 2016-17 Fall/Winter course selection. Payment of fees is due by the **posted deadlines**.

June 14
Last day of **early** summer classes (NOTE: Full summer classes resume July 4).
Last day for academic withdrawal from **early** summer courses.

June 17-23
**Early** summer examinations may be held. It may be necessary to schedule examinations
during the day for classes held in the evening and vice versa. Examinations are normally held all seven days of the week.

**July 1**
Statutory holiday, University closed.

**July 4**
Late registration charges take effect at 12:00 a.m. (midnight) for students registering only in late summer courses (July-August courses). Payment of fees is due by the posted deadlines.
Late summer courses begin and Full summer courses resume.

**July 11**
Last day for registration and course changes (including auditing) for late summer courses.

**July 24**
Last day to submit to the Paul Menton Centre, for Students with Disabilities, formal examination accommodation forms for August examinations.

**July 25**
Last day for a full fee adjustment when withdrawing from late Summer courses (financial withdrawal)

**August 1**
Civic holiday, University closed.
Last day for graduate students to submit to their thesis supervisor an examination copy of their Master’s or PhD thesis for Fall graduation.

**August 2**
Last day for tests or examinations in full summer courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

**August 9**
Last day for tests or examinations in late summer courses below the 4000-level before the final examination period (see Examination Regulations in the Academic Regulations of the University section of this Calendar).

**August 16**
Last day of late and full summer term classes.
Last day for academic withdrawal from late summer and full summer courses and any
other courses that end this term.
Last day for handing in term work and the last day that can be specified by a course instructor as a due date for term work for courses that end on this day.

**August 19-25**
Final examinations in full and late summer courses may be held. It may be necessary to schedule examinations during the day for classes held in the evening and vice versa. Examinations are normally held all seven days of the week.

**September 23-25**
Summer term deferred final examinations will be held.

**September 30**
Last day for receipt of applications for appeal of final grades in summer term courses.