



**BUSI 2505**  
**Business Finance**  
**Winter 2015**

Section	Instructor	Class Time	Class Location
B	Sana Mohsni	Mon 8:35am-11:25am	TB 342
C	Sana Mohsni	Mon 6:05pm-8:55pm	UC 182

**Contact Info:**

Instructor	Office	Office Hours	phone	e-mail
Sana Mohsni	DT 1715	Monday 12:00PM-1:30PM	5202600 x2991	<a href="mailto:sana_mohsni@carleton.ca">sana_mohsni@carleton.ca</a>

**Course Description**

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Capital investment and financing decisions in the context of risk and return tradeoffs. Mergers, corporate restructuring, and forecasting.

**Prerequisites**

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

The School of Business enforces all prerequisites. Only the Undergraduate Program Supervisor of the School can waive prerequisite requirements.

**This Course is Prerequisite to**

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BUSI 3500, BUSI 3502 and BUSI 3512 (with a grade of C+ or higher).

**Course Objectives**

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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, and lease financing. 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!**

### ***Class Format***

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

### ***Required Text and Materials***

Text: Ross, Westerfield, Jordan, and Roberts, *Fundamentals of Corporate Finance*, 8<sup>th</sup> Canadian edition, McGraw-Hill Ryerson, 2013

Calculator: Texas Instruments BA II Plus

### ***Course Evaluation***

3 In-class Quizzes, 3@5%	15%	1: week #4 2: week #6 3: week #10
Group Assignments (2 in total, group of 4 people), <a href="#">2@7.5%</a> <b>[Must be typed, late assignments NOT accepted]</b>	15%	1: due on week #6 2: due on week #12
Mid-term Exam	25%	week # 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. All final grades are subject to the dean's approval.

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**

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1. Read the chapter before the class.
2. Do all self-test questions and all suggested questions 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 text problems will be available on CUlearn. 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.

### **DECLARATION OF ACADEMIC INTEGRITY**

**Course #:**

**Term and year:**

**Assignment #:**

The University Senate defines plagiarism in the regulations on instructional offenses as: “to use and pass off as one’s own idea or produce work of another without expressly giving credit to another.”

Borrowing someone else’s answers, unauthorized possession of tests or answers to tests, or possession of material designed in answering exam questions, are also subject to university policy regarding instructional offenses.

Photocopying substantial portions of a textbook (e.g. more than 1 chapter or 15% of the total page count) without the publisher's permission is another misuse of intellectual property, and is also a violation of Canadian copyright law. Access Canada's web site provides guidelines on legitimate copying. Instructional offence cases would be referred to the Associate Dean (Undergraduate Studies); individual solutions are not permitted.

I/we declare that the work submitted in the attached assignment is my/our work. This work has

not been shared with anyone outside this group. All sources have been referenced in the footnotes, endnotes or bibliography.

Signature of student

Everyone must sign to receive a grade

Student Name

Student ID

Student Name

Student ID

Student Name

Student ID

Student Name

Student ID

**Due Date**

**Date and hour received, if late**

**Penalty for delay, if applicable**

*Course Schedule (tentative and subject to changes)*

<b>Week</b>	<b>Topics</b>	<b>Chapters</b>
1	Review Cash Flows, CCA	Sections 2.3-2.5
2	Capital Budgeting	10
3	Capital Budgeting	10, 21
4	Project Analysis and Evaluation, <b>Quiz#1</b>	11
5	Cost of Capital,	14
6	Raising Capital, <b>Quiz#2, Assignment 1 due</b>	15
	<b>WINTER BREAK</b>	
7	<b>MID-TERM EXAM</b> (in-class)	
8	Leverage and Capital Structure	16
9	Leverage and Capital Structure	16
10	Dividend Policy <b>Quiz #3</b>	17
11	Lease Financing	22
12	Mergers & Acquisitions, <b>Assignment 2 due</b>	23
13	<b>Review</b>	

## **IMPORTANT ADDITIONAL INFORMATION**

### **Required calculator in BUSI course examinations**

Only Texas Instruments BA II Plus calculators will be permitted in all Business course examinations. This calculator is available in the campus bookstore (1st floor, University Centre) and at various other off-campus retail stores.

### **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. If you have a group assignment you may find the resources at [http://sprott.carleton.ca/academic\\_programs/groupwork](http://sprott.carleton.ca/academic_programs/groupwork) useful. 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.

### **Persons with disabilities**

Students with disabilities requiring academic accommodations in this course must register with the Paul Menton Centre for Students with Disabilities (PMC) for a formal evaluation of disability-related needs. Documented disabilities could include but are not limited to mobility/physical impairments, specific Learning Disabilities (LD), psychiatric/psychological disabilities, sensory disabilities, Attention Deficit Hyperactivity Disorder (ADHD), and chronic medical conditions. Registered PMC students are required to contact the PMC, 613-520-6608, every term to ensure that I receive your Letter of Accommodation, no later than two weeks before the first assignment is due or the first in-class test/midterm requiring accommodations. If you only require accommodations for your formally scheduled exam(s) in this course, please submit your request for accommodations to PMC by the deadlines published on the [PMC website](#).

### **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.

**Plagiarism**

The University Senate defines plagiarism in the regulations on instructional offenses as: "to use and pass off as one's own idea or product work of another without expressly giving credit to another."

Borrowing someone else's answers, unauthorized possession of tests or answers to tests, or possession of material designed in answering exam questions, are also subject to university policy regarding instructional offences. For more information on Carleton University's Academic Integrity Policy, consult:

<http://www1.carleton.ca/studentaffairs/academic-integrity/>

## Winter Term 2015: Important Dates

### **December 25 to January 2**

University closed

### **January 5**

Winter-term classes begin. [Late Charges](#) now apply.

### **January 16**

Last day for registration for winter term courses.

Last day to change courses or sections (including auditing) for winter term courses.

Students who have not deposited (via automated upload) the final copy of their thesis to the office of the Faculty of Graduate and Postdoctoral Affairs must register.

### **January 31**

Last day for a [fee adjustment](#) when withdrawing from Winter term courses or the Winter portion of two-term courses. Withdrawals after this date will create no financial change to Winter term fees (financial withdrawal).

### **February 13**

April examination schedule available online.

### **February 13-21**

Fall-term deferred examinations will be held

### **February 16**

Statutory holiday, University closed.

### **February 16-20**

Winter Break. Classes are suspended.

### **March 1**

Last day for UHIP refund applications for International Students who will be graduating this academic year.

Last day for receipt of applications from potential spring (June) graduates.

### **March 6**

Last day to submit, to the Paul Menton Centre for Students with Disabilities, Formal Examination Accommodation Forms for April examinations.

### **Late March (Date TBA)**

[Last day to pay any remaining balance on your Student Account](#) to avoid a hold on access to

marks through Carleton Central and the release of transcripts and other official documents. An account balance may delay Summer 2014 course selection.

**April 3**

Statutory holiday, University closed.

**April 8**

Last day of fall/winter and winter-term classes.

Last day for academic withdrawal from fall/winter and winter-term courses.

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 fall/winter and winter-term courses.

**April 9-10**

No classes or examinations take place

**April 11-23**

Final examinations in winter term and fall/winter courses may be held. Examinations are normally held all 7 days of the week.

**June 8-18 (including Saturdays)**

Fall/winter and winter term deferred final examinations will be held.