

**BUSINESS FINANCE**  
**BUSI 2501 A**  
**FALL 2024**

<b>Instructor:</b>	Dr. Yan (Nicole)Yang
<b>Email:</b>	<a href="mailto:yan.yang@carleton.ca">yan.yang@carleton.ca</a>
<b>Phone Number:</b>	613-520-2600 ext.2379
<b>Office:</b>	Nicol Building 5032
<b>Office Hours:</b>	TBD
<b>TA:</b>	TBD
<b>Modality:</b>	In-person
<b>Class Meets:</b>	Friday: 2:35 PM - 5:25 PM
<b>Tutorial Meets:</b>	Monday: 5:35 PM - 6:25 PM

In order to stay updated with important notifications and announcements from Carleton University, please download the Carleton University App. This will ensure you receive timely information regarding your courses and other university-related updates throughout the term.

**Pre-requisites & Precluded Courses:**

Prerequisites: BUSI 1005, and ECON 1001 and ECON 1002 (or ECOR 3800). Restricted to selected Sprett programs.

Precludes additional credit for BUSI 2503.

**Course Calendar Description:** [2024/2025 University Calendar](#)

Basic issues and practices in finance. Survey of business firms' financing, investment, and payout decisions. Emphasis on understanding the principles, resources, and trade-offs in the financial area of business.

**Course Description:**

---

Finance is the backbone of effective decision-making in both professional and personal contexts. By mastering financial concepts, one can enhance their career prospects, achieve investment goals, and secure their financial future.

The primary objective of this course is to provide students with foundational knowledge and a practical understanding of key finance concepts and practices. Topics include: Basic issues and practices in finance. Survey of business firms' financing, investment, and payout decisions. Emphasis on understanding the principles, resources, and trade-offs in the financial area of business.

### **Learning Outcomes:**

---

1. Understand the principles of time value of money
2. Apply the principles of time value of money in valuing financial assets, including stocks and bonds.
3. Learn measures of risk and the relationships between risk and returns
4. Develop analytical skills to make investment and financing decisions for corporations

### **Required Textbook:**

---

*Fundamentals of Corporate Finance* by Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, J. Ari Pandes, Thomas Holloway, 11th Canadian Edition, McGraw-Hill, Ryerson, 2022.

Calculator: Any non-programmable calculators can be used in the test and examination, such as Texas Instruments BA II Plus.

### **Suggested Readings:**

---

#### *Financial News/Magazines:*

The Globe and Mail – Report on Business

Details on how to activate **free online subscription access** to the Globe and Mail will be provided in class.

### **Tutorials:**

---

Tutorials are a key part of this course, integrated with lectures, the midterm exam, and the final exam. They will begin in the 2nd week of the term, with specific times announced in class and on Brightspace.

- Focus: Tutorials will primarily cover the problems in bold (see below), corresponding to each Chapter discussed in class.
- Preparation: Students should attempt all listed problems for each Chapter before the tutorial. Students are encouraged to work in groups to complete these problems.
- Participation: Use tutorials to address any questions about the course material.

Note: For questions about course scheduling, exam style, or content, please contact your course instructor. TAs are not responsible for these topics.

## Problem List:

---

Chapter 2: 8, 9, 10, 11, 12, **22, 30**, 31

Chapter 5: 2, 3, 4, 5, **8, 9, 13**, 17, **19, 20**

Chapter 6: 6, 7, **8**, 11, **15**, 16, **21**, 25, 26, **44, 49**, 55

Chapter 7: **3**, 5, 6, **7, 8**, 19, 20, **23**

Chapter 8: **4**, 5, 7, **8, 9**, 10, **13, 16**, 21

Chapter 9: 1, 3, **4, 7**, 8, **9**, 14, 15, **17**

Chapter 10: 3, **5**, 11, **13**, 14, **16**

Chapter 12: **1**, 2, **3, 7**

Chapter 13: 1, 2, **3, 7**, 8, **9**, 11, **12, 13, 14**, 16, **17**, 25

Chapter 14: 3, 7, 8, 9, **10, 15, 16, 19**

**Important:** You are expected to solve all suggested questions before attending tutorials. During the tutorial, TAs will first explain the bold questions and then address any individual questions if time permits.

## Methods of Evaluation & Course Completion Requirements

---

Tasks	Weighting
Class Attendance	10%
Midterm Exam (in-class, Oct. 11)	35%
Final Exam	55%
<b>Total</b>	<b>100%</b>

### BONUS:

Midterm Feedback Survey: 2%

### Breakdown of evaluation components:

#### **Midterm Exam:**

The midterm exam will cover lectures 1-5.

A student who does not write the midterm exam will automatically receive a grade of zero unless this is due to a **medical** reason or an **emergency** with the appropriate **documentation**. Makeup exams will only be administered on Oct. 16th at 2 pm (tentative). **no exceptions**.

#### **Final Exam:**

The final exam will cover all lectures. More information will be provided in class as we progress.

### **Class-attendance:**

There will be 10 checks on class attendance. Five of these checks will be conducted at the end of lectures. Students are required to personally sign the attendance sheet before leaving the classroom. The remaining five checks will be mini quizzes held during class. Students who submit their answers synchronously will receive attendance marks. Partial marks will also be awarded based on the number of checks passed.

### **Midterm Feedback Survey:**

The Midterm Feedback Survey is an opportunity for you to share your thoughts on the course so far. Your feedback will help me understand what's working well and what can be improved. By completing the survey, you will earn 2% of your total course grade. Your input is valuable and will contribute to making the rest of the course as effective and engaging as possible. Details will be disclosed in class.

### **The Class Discussion Board on Brightspace**

---

The discussion board is an essential part of our class where we can all engage in meaningful conversations, ask questions, share insights, and help each other understand the course material better. The guidelines on how to use this space effectively will be disclosed in class.

### **Email Response Policy**

---

I will do my best to respond to emails sent during business hours (9am-5pm) on the same day. If you email me after hours, I'll reply on the next business day. Please include the course number in the subject line. For example: "BUSI 2501 - Question on xxx". Please post course-related questions on the Class Discussion Board.

### **How to Get the Most Out of This Course:**

---

- Skim each chapter listed in the Course Schedule (see below) in advance
- Take notes during lectures (lecture notes are **not** complete)
- Read each chapter listed in the Course Schedule (see below) after each lecture
- Review the lecture slides after each lecture
- Work on the Problem List before tutorials
- Participate in the Class Discussion Board
- Participate in polls (if any)
- Attend tutorials to see how the problems identified in bold can be solved and to ask questions about other problems or other course materials
- Reflect on course concepts outside of class. For example, when reading the newspaper or watching the news, question if what you see or hear aligns with what you've learned

For many students, this course can be challenging. Part of this difficulty arises from new and (sometimes) counterintuitive subject matter, but the biggest challenge often comes from not dedicating enough time and effort to engage with the material. **To succeed in this course, you will need to consistently spend 5-7 hours each week reviewing course materials, working on**

**problem sets, and attending weekly tutorials to ask questions, in addition to attending every lecture.** It is absolutely **essential** that you keep up with the assigned readings and end-of-chapter problems.

The TA and I are here to enthusiastically answer any and all of your questions in a timely manner. Don't hesitate to ask for clarification. Remember: **the only way to learn finance is to do finance.** Practice, practice, and practice...

### Course Schedule

Lecture/Exam	Date	Topics	Chapters
1	Sep. 06	Overview of Corporate Finance	1
2	Sep. 13	Time Value of Money Discounted Cash Flow Valuation	5, 6
3	Sep. 20	Discounted Cash Flow Valuation (Continued)	6
4	Sep. 27	Interest Rates and Bond Valuation	7 (excl. 7A)
5	Oct. 04	Stock Valuation Lessons from Capital Market History	8, 12
6	Oct. 11	<b>Midterm Exam</b>	
7	Oct. 18	Net Present Valuation and Other Investment Criteria	9
		Fall break (No Lectures)	
8	Nov. 01	Cash Flows and Capital Cost Allowance Capital Budgeting	2, 10
9	Nov. 08	Return, Risk, and the Security Market Line	13
10	Nov. 15	Return, Risk, and the Security Market Line (Continued)	13
11	Nov. 22	Cost of Capital	14
12	Nov. 29	Personal Finance	Lecture Notes

Please note that the course schedule may be amended during the term depending on whether topics take more or less time to cover than planned.

**Contribution to Learning Goals of the Program ([BCom](#), [BIB](#)):**

<b>Program Learning Goal</b>	<b>Competencies Not Covered</b>	<b>Competencies Introduced (only)</b>	<b>Competencies Taught But Not Assessed</b>	<b>Competencies Taught and Assessed</b>
<b>CHECK (X) ONE PER ROW</b>				
<b>BC1 Knowledge</b> <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				X
<b>BC2 Collaboration</b> <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>		X		
<b>BC3 Critical Thinking</b> <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i>				X
<b>BC4 Communication</b> <i>Graduates will be effective and persuasive in their communications.</i>		X		
<b>BI5 Global Awareness (BIB ONLY)</b> <i>Graduates will be globally-minded.</i>				X

## 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, followership, 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.

### Grading

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**

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website ([students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)).

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

## **Pregnancy Accommodation**

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](https://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](https://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](mailto: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](https://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 its 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](http://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](http://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.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the 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. For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.

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 Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at [bcom@sprott.carleton.ca](mailto:bcom@sprott.carleton.ca) or at [bib@sprott.carleton.ca](mailto:bib@sprott.carleton.ca).

## **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](http://carleton.ca/csas).

### **Important Information:**

- Students must always retain a 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 <https://carleton.ca/its/get-started/new-students-2/>