



**Carleton**  
UNIVERSITY

**SPROTT**  
SCHOOL OF BUSINESS

**CARLETON UNIVERSITY  
SPROTT SCHOOL OF BUSINESS  
BUSI 2505 A  
SUMMER 2021  
BUSINESS FINANCE II**

**Instructor:** Saquib Shahriar

**Office Hours:** Friday 1:30 to 2:30

**Class Time:** Tuesdays and Thursdays, 6:05 pm ~ 8:55 pm (EST)

**Email:** [saquib.shahriar@carleton.ca](mailto:saquib.shahriar@carleton.ca)

**Phone Number:**

**TA:** Steven Guo

**Office Hours:** To be posted on CULearn before the semester starts

**Email:** [steven.guo@mail.carleton.ca](mailto:steven.guo@mail.carleton.ca)

**Course meets:** \*Online using Zoom Meeting ID 8193297874

**Modality:** \*Online ( \_\_ hrs asynchronous and/or 36 hrs synchronous)

Classes will be taught synchronously using online platform Zoom or BigBlueButton every Tuesday and Thursday at 18:05. However, all the materials including recording of the synchronous sessions, PowerPoint slides, and other required materials for the respective sessions will be posted on Brightspace/Culearn.

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**Pre-requisites & precluded Courses**

BUSI 1002 or BUSI 1005, BUSI 2504 with a grade of C or higher in each;  
ECON 1001 and 1002 (or ECON 1000) and MATH 1009 with a grade of C-  
or higher in each.

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**This Course is Prerequisite to**

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

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**Course Calendar description from the 2020/2021 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 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

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.

### **Required Text/ Required Materials**

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

You would need a reliable internet connection and a webcam, microphone, and speaker on your laptop, desktop, or phone in order to participate in class.

### **Notes on Examinations and Quizzes:**

Each quiz will cover only material covered during the week it is administered. Quizzes must be completed by midnight on the Sunday following the release of the weekly course material. Students will have 30 minutes to complete each quiz. Best three of the four quizzes will be used to calculate the final grade for quiz.

The **term test** will be a two-hour test comprised of 30 multiple choice questions held in the week indicated. 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 instructor will use the 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.

Students will have access to all course materials during the exams.

### Course Requirements & Methods of Evaluation

#### Course Evaluation

	Grade Weight	Date
4 In-class Quizzes, Best 3 scores out of 4) 3@5%	15%	1: week #2 2: week #3 3: week #4 4: week #5
Group Project (1 in total, group of 4 people)	10%	Due on Aug 12, 2021
Mid-term Exam	30%	Week #3
Final Exam	45%	TBA (Will be notified after the final exam schedule is posted)

**PROJECT:** The assignment will be due on Thursday **August 12, 2021**. Details and requirements will be posted on the course cuLearn site. **Late assignments will not be accepted** and will receive a grade of zero. Assignments are to be submitted in **printed** format and uploaded on CUlearn. Assignments are to be done in **groups of 4 students**.

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

Lecture	Date	Topics	Chapters
1	July 6	Review Cash Flows, CCA	Sections 2.3-2.5
2	July 8	Capital Budgeting	10
3	July 13	Capital Budgeting <b>QUIZ #1</b>	10
4	July 15	Project Analysis & Evaluation	11
5	July 20	Cost of Capital <b>QUIZ #2</b>	14
6	July 22	Raising Capital	15
7	July 27	<b>MID-TERM</b> (Chapters 2, 10, 11, 14, 15)	
8	July 29	Leverage & Capital Structure	16
9	Aug 3	Dividend Policy <b>QUIZ #3</b>	17
10	Aug 5	International Corporate Finance	21
11	Aug 10	Lease Financing <b>QUIZ #4</b>	22
12	Aug 12	Mergers & Acquisition (time permitting) <b>Project Due</b>	23

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

### 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 WebCT 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.

**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>				<b>X</b>
<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>				<b>X</b>
<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>				<b>X</b>
<b>BC4 Communication</b> <i>Graduates will be effective and persuasive in their communications.</i>	<b>X</b>			
<b>B15 Global Awareness (BIB ONLY)</b> <i>Graduates will be globally-minded.</i>	<b>X</b>			

## 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-AcademicAccommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-AcademicAccommodation.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-AcademicAccommodation.pdf](https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-AcademicAccommodation.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 613-5206608 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/sexualviolence-support](https://carleton.ca/sexualviolence-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-StudentActivities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](https://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 fulltime 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](http://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 <https://carleton.ca/its/get-started/new-students-2/>
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