



**Carleton**  
University

**Sprett**  
School of Business

**BUSI 2503**  
**INTRODUCTION TO FINANCE**

**WINTER 2024 COURSE OUTLINE**

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Instructor: Professor Isaac Otchere  
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Office: NI 6035  
Phone: (613) 520-2600 Ext. 2731

Course Schedule & location  
Office Hours:

Online  
Tues. 3.30pm-5.00pm

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**Modality: Online (3 hrs asynchronous)**

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**Course Description**

**BUSI 2503 [0.5 credit]: Introduction to Finance**

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 a business.

Precludes additional credit for **BUSI 2501** and **BUSI 2504**. No credit for students in B.Com., BIB.

Prerequisite(s): second-year standing.

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**Purpose of the Course**

The primary goal of this introductory finance course is to provide students with an integrated framework to analyze individual and corporate investment and financing decisions. It also provides an introduction to, and applications of, the standard techniques in business finance. Students will be introduced to the notion of both time and risk and how they affect the valuation of financial securities including bonds, stocks and real assets or investment projects undertaken by corporations.

This course, which serves as the foundation for more advanced finance courses, will enable students to gain a good understanding of financial markets.



## Learning Outcomes for the Course

Upon completing this course, students will be able to do the following:

- Describe the main methods used for measuring the time value of money.
- Use financial tools to solve real life problems.
- Evaluate borrowing and investment alternatives.
- Estimate the price of securities.
- Explain the risk and return relationship and its use in valuation.

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## Course teaching approach

The learning in this online course largely occurs at home or wherever you feel comfortable reading, viewing lecture videos, studying and working with the course material. There are weekly lectures (lecture videos and powerpoint slides) and practice problems that I expect you to review. The practice problems and the additional in-class problems videos provide a good opportunity to review and practice the course material. The following order is recommended for each week:

- Read the textbook **Chapter** related to the topic
- Watch the **Lecture videos** and review the **PowerPoint slides**
- Watch the **Additional In-class problems and solution** video
- Solve the **Practice Problems**
- Do the **Quiz**

My goal is to give you a rich exposure to basic Finance principles through on-line activities, including ample opportunities to practice and improve your problem solving technique; apply the concepts to real life situations, thus making the course relevant; test your recall in low-stakes weekly quizzes, and enhance your ability to work in teams. The weekly lectures are designed to highlight the key concepts of the topic, and will prepare you for the group assignments, quizzes and tests. You will be able to assess your understanding of concepts we cover weekly, through the completion of online post-lecture quizzes (6 quizzes are required but the remaining 6 optional quizzes are highly recommended). You are expected to have covered the readings before class. After class, you should re-read the chapter to gain further understanding of the material. Anonymous feedback will be collected so be prepared to self-reflect on your journey through Finance.

## Required Text and Materials

Brealey, Myers, Marcus, Maynes, Mitra and Gajurel, Fundamentals of Corporate Finance, 7th Canadian Edition, McGraw Hill Ryerson, 2020. The 6<sup>th</sup> edition is also good.

## Assessments:

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Component	% of Grade.	Due date	Duration
Quizzes (best 6 quizzes)	20%	Weekly	30 mins each
Assignment 1	10%	Feb 11	Take-home
Assignment 2	10%	Mar 17	Take-home
Mid-Term Exam * - <b>in-person (in-term)</b>	20%	TBD	6.00pm-7.30pm
Final Exam * - <b>in-person (in-term)</b>	40%	TBD	3 hours
Total	<u>100%</u>		

**\*See the note below**

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**Class preparation**– You are expected to cover the readings before class. After class, you should re-read the chapter to gain further understanding of the material.

**Practice Problems** – Finance cannot be learned without solving problems. To ensure that you understand the course material, weekly practice problems will be given. These questions will NOT be graded. However, it is strongly recommended that you solve the assigned problems as they will help you prepare for the quizzes and exams. Working in groups to solve the practice problems is strongly encouraged.

**Quizzes** – There will be 12 weekly quizzes (one quiz per lecture) of which you are expected to write at least 6 of them. You can choose to do more than 6 quizzes, but only your **best 6 quizzes** will be used to determine your grade. The goal of the quizzes is to measure your understanding of the material covered in class but will also require you to extend and apply ideas beyond sample problems. The quizzes will consist of about 15 multiple choice questions and will be 30 minutes long. The questions are algorithmic, each time a question is generated on a particular concept, it will have different numbers. Each week’s quiz has to be completed by Saturday 11.55pm. There will be no make-up quiz, so if by the end of the semester you have missed any of the 6 quizzes, you will lose the marks for that quiz.

**Assignments** – There will be two assignments. You may do them in groups (of 3 maximum) or individually. The assignments will cover concepts discussed in class but will also require you to extend and apply ideas beyond sample problems. Late assignments will lose a certain percentage of the marks (depending on how late it is), so check the assignment instructions carefully to see the different levels of deductions when the assignment is submitted late. Further details of the assignments will be provided in due course. You should retain a hard copy of your assignments.

**Midterm test** – The mid-term test will cover both theory and application of the topics covered in weeks 1-5. The test will be closed-book exam and will consist of multiple choice and short essay/problem type questions. The date for the test is shown in the schedule on the next page. Please do not make any travel arrangements around the time of the test, as no request for writing the test either before or after the scheduled date will be accommodated.

**Final Exam** – The final exam will cover both theory and application of the topics covered in the course. It will be a closed-book exam and consisting of multiple choice and short essay/problem type questions. The date for the final exam will be determined by the University later in the semester. Please do not make any travel arrangements around the time of the exam as no request for writing the exam before or after the scheduled date will be accommodated.

### **In-person Exams**

NB: Though this is an online course, the Midterm test and the Final exams, which are administered by Carleton University Scheduling and Examination Services, require in-person assessments. The assessments will take place on campus, The assessments will take place on campus, outside of regular class time (which can include Friday evening, Saturday or Sunday). Exam Services will determine the date of the test/exam in due course.

For those who are not able to come to campus because they are studying remotely out of the city, the University offers a companion Distance Exam Service for students. If a student is not able to come to campus to write the exams, they can apply to write at a distance by **January 22** (<https://carleton.ca/ses/distance-exams/>). Scheduling and Examination Services will be leveraging CoMaS, the University's automated e-Proctoring software, to ensure integrity of the test/exam process. More details regarding the distance exam can be found here. (<https://carleton.ca/ses/distance-exams/>)

### Exam Attendance

If a student is unable to write the mid-term test due to a medical or family emergency ONLY, the person will have another opportunity to write the missed midterm in the following week or the marks for the mid-term test will be allocated to the final exam. Medical documentation is required in these medical or family emergency cases. If a student is unable to write the final exam, the person may apply to the Registrar's Office to write a deferred examination. Deferral final examination will only be granted to students who have shown satisfactory performance (as described below). Please also see Sections 2.4, 2.5 and 2.6 of the Undergraduate Calendar. It should be noted that deferred examination will NOT be granted to students who make travel plans that conflict with the midterm test or final examination.

### Late work policy:

The assignment deadlines are at least one week after the completion of related course material (sometimes more) and as such, should be sufficient. Yet, sometimes, despite our best efforts, and for good reasons, we can't meet our deadlines. You have two days of grace that you can apply to missed assignment deadlines. For example, a single assignment may be two days late or two assignments may each be one day late with no penalty. No reason required. No questions asked. That said, I need an email by the deadline indicating you will be late, but plan on submitting. Once the two days have been used, no further lateness will be accepted and any late submissions at that stage will receive 0.

### Course Schedule (tentative and subject to change)

Lecture/Week	Topic	Chp
L1: Jan 8- 14	Overview of Corporate Financial Management & Financial Markets	1&2
L2: Jan 15-21	Measuring Corporate Performance: Financial Ratio Analysis	4
L3: Jan 22-28	Time Value of Money I	5
L4: Jan 29-Feb 4	Time Value of Money II	5
L5: Feb 5-11	Valuing Bonds ( <b>Assignment 1 is due end of this week</b> )	6
L6: Feb 12-18	Valuing Stocks	7
TBD	<b>Mid term test In-Person (Date to be Determined)</b>	
Feb 19-25	<b>Winter Break</b>	
L7: Feb 26-Mar 3	NPV and Other Investment Criteria	8
L8: Mar 4-10	Introduction to Risk and Return	11
L9: Mar 11-17	Cost of Capital Estimation ( <b>Assignment 2 is due this week</b> )	13
L10:Mar 18-24	Short term financial planning: Working capital management	20
L11:Mar 25-31	Working Capital Management: Cash and Inventory Management	21
L12:Apr 1-Apr 7	Working Capital Management: Credit Management and Collection	22

## **How to study Finance online**

Finance is a problem-based course that will require you to both understand the economic intuition of financial concepts and to perform mathematical calculation. The bulk of the learning occurs while you work on problems. To do well in this course, it is recommended that at the beginning of each week and each chapter, you read each of the learning objectives and the accompanying text, taking note of the big ideas in each objective. You should go through each of the examples provided in the PowerPoint and watch the lecture videos if you do not understand any part of the material presented in that chapter. After you have finished reading each section you should attempt some practice questions for that learning objective (in the practice questions folder). If you get stuck, refer to the relevant section of the text for help. You might find a similar worked example on the concept.

Studies have shown that students' performance in an introductory finance course improves significantly with the number of questions attempted and completed correctly. You should solve the weekly practice problems. I strongly recommend that when working on the practice problems you DO NOT look at the solutions until you have solved the problems and have obtained your answer. Taking a peak at the answers while you are solving them will create the illusion that you are learning when indeed not much learning is occurring.

## **Study Groups and Group work**

As part of the strategies for learning finance, and to get the most out of this online course, you are strongly encouraged to form a study group (of two or three people).

It is good practice that each member of the group attempts the problems individually before you meet to discuss them and when needed, use the discussion forum in Culearn to seek help and clarification on specific problems. It has been shown that students often receive very good explanations from fellow group members who just learned a concept themselves; and the process of helping others also strengthens their own understanding of the material.

## **Course Policies**

### **(1) Online Component**

This is an online course and will rely heavily on Carleton's online learning management system, Culearn. All course materials, quizzes and assignments will be assessed through Culearn. You should check the system at least once a day.

### **(2) Discussion forum**

Students may use the discussion board/forum in culearn to ask questions about the course content. Fellow students and the TAs will respond to the questions. The TAs will be monitoring the discussion forum to answer questions.

### **(3) Email policy and office hours**

Emails regarding assignments and due dates should first be directed to the TA. I strongly encourage you to attend my office hours with your questions. Appointments to meet with me or can be made by email but should only be done if all other resources have been used to answer questions.

**(4) Academic help**

Students who need help with the course content can get assistance in three different ways: (1) send an email to the TAs (their email address will be provided in due course) or the instructor; 2) use the discussion board/forum to ask questions, and 3) Drop-in TA support will be offered occasionally during the midterm and final exam periods. The TA schedule will be made available in CuLearn in the week prior to the exam.

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

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
<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>BI5 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 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](https://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](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.

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/>
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