

BUSI 2504A
BUSINESS FINANCE I

SUMMER 2023 COURSE OUTLINE

Instructor: Adam Abdulrahman
Office Hours: Thursdays 8:30am – 10:30am or by appointment
Office: Nicol Building 7014
Email: Adamabdulrahman@email.carleton.ca

Modality: In class
Class Schedule: Mondays and Wednesdays, 6:05pm – 8:55pm
Classroom: Nicol Building 3020

Precluded courses: BUSI 2503, ECON 3050.

Pre-requisites: BUSI 1005, and ECON 1001 and ECON 1002 (or ECON 1000)
or ECOR 3800. Restricted to selected Sprott programs.

Course Calendar description from the [2022/2023 University calendar](#):

Business firms' financing, capital investment, and dividend policy decisions, cost of capital and short-term asset management problems.

Course Description:

This is an introductory course in finance. It addresses topics in finance that are important for all managers in organizations to understand. In addition to informing managers generally, these topics amount to an important foundation for higher level finance courses and will be used extensively in those courses. Finally, some of the topics addressed in this course can help with personal financing and investment decisions.

Learning Outcomes

1. The principles of time value of money and how to apply them;
2. The features of various kinds of financial instruments, how to value them, and how organizations can use them to raise the capital they need;
3. Approaches to evaluating investment opportunities and making investment decisions;
4. Measures of risk and how they are related to returns; and,
5. General analytical skills in structuring and analyzing financial problems

Textbook

Ross, Westerfield, Jordan, Pandes, and Holloway, Fundamentals of Corporate Finance, 11th Canadian Edition, McGraw-Hill Ryerson, 2022

Course Requirements & Methods of Evaluation

	Weighting
2 Quizzes at 10% each	20%
Midterm exam	30%
Final exam	50%
Total	100%

Quizzes are designed to focus on material that was just covered. The goal of quizzes is to encourage you to keep up with the course material and to measure your understanding of the material. The quizzes will be approximately 45 minutes in length. The topics that will be tested on each quiz are noted in the course schedule below. The quizzes will be held in class. The quizzes are closed-book and closed notes. There will be no make-up quizzes. If you are unable to write a quiz for a compelling reason, then the 10% weight of that missed quiz will be split amongst the other quiz (5%) and the midterm exam (5%)

The midterm exam will be held in class on **Monday, May 29**. Material covered up to and including the class before the midterm exam is eligible to be addressed. A formula sheet will be provided for use in the midterm exam, and a copy will be posted on Brightspace so students can see what it includes. The midterm exam is closed-book and closed-notes.

The final exam will be comprehensive, covering material from the entire course. A formula sheet will be provided for use in the final exam, and a copy will be posted on Brightspace so students can see what it includes. The final exam is closed-book and closed-notes. The last class of the semester will be held as an intensive review for the final exam where in-class and textbook problems are solved while any student questions are addressed. The final exam will be held during the official university final exam period, with the exact date to be announced as soon as it is scheduled by the university.

*Students who can document a compelling reason (serious illness/emergency) for missing the midterm test will have an opportunity to write a deferral/make-up test within 1 week of the original test date (**between May 30 and June 5**). If you're unable to write the make-up test within this 1 week period, the weight of the midterm exam will be distributed amongst the two quizzes (10% extra for each quiz) and final exam (10% extra). The request to write the make-up test must be electronically submitted to the instructor no later than the **Tuesday (May 30th)** after the missed midterm.*

Student Responsibilities

Students are responsible reading each chapter listed in the course outline and knowing the material in those chapters whether or not specific mention of certain topics is made in class and regardless of whether or not topics are addressed in class. Because of time constraints, it is not possible to cover all the chapter material in class. Class time will be spent on the most important topics and on the topics from which students receive the most benefit from explanation in class.

Doing well in this course

1. Read the indicated chapter(s) before class in which it is to be addressed, and highlight any questions you might have so that they can be answered during class;
2. Do the self-test questions in the chapter immediately after you read it;
3. Do the listed problems in the course schedule after the chapter has been taught in class;
4. While solutions to the end-of-chapter problems will be provided, attempt problems before looking at their solutions. Looking at the solution first leads to under-estimation of a problem's difficulty and over-estimation of your ability to solve it;
5. Experiment with examples presented in class using your calculator to develop your understanding of how the calculations and solution approaches work. Re-doing a class example and re-working an example with different values can significantly improve your understanding or uncover things you are not understanding;
6. Work at the course throughout the term, practice as you go along, and deal with things you don't understand as they arise. It is difficult to be successful with the kind of material covered in this course by cramming before the mid-term or final exam;
7. Don't hesitate to ask questions during class or in the discussion forum on Brightspace as it is very likely that there are other students that have the same question.

Course Schedule:

Session	Date	Topics	Chapters	Problems
1	May 8 (M)	Introduction to Corporate Finance	1	1, 3, 5, 6, 7, 8
2	May 10 (W)	Time Value of Money	5	CT: 4 1, 3, 5, 6, 7, 9, 11, 13, 17, 18, 20
3	May 15 (M)	Discounted Cash Flow Valuation	6	CT: 2, 6 8, 13-16, 18, 21, 22, 35, 37, 38, 41, 42, 47, 57, 73
4	May 17 (W)	QUIZ 1 (Ch 1, 5, 6) Interest Rates and Bond Valuation	7	CT: 5, 10 2, 6, 8, 15, 18, 21, 28, 29, 31
May 22 – Statutory Holiday, No Class				
5	May 24 (W)	Stock Valuation	8	CT: 5, 6, 10 2, 5, 7, 12, 13, 17, 21, 23, 28, 33
6	May 29 (M)	MIDTERM EXAM (Ch 1, 5, 6, 7, 8)		
7	May 31 (W)	NPV and Other Investment Criteria	9	2, 4, 6, 9, 10, 15, 16, 17, 23
8	June 5 (M)	Market History and Market Efficiency	12	CT: 5, 6, 7, 9 1, 4, 7, 13, 16, 18
9	June 7 (W)	Return, Risk, and the Security Market Line	13	CT: 1, 3, 5, 8 4, 7, 10, 11, 15, 17, 19, 23, 25, 31
10	June 12 (M)	QUIZ 2 (Ch 9, 12, 13) Cost of Capital	14	CT: 2, 8, 10 1, 3, 5, 6, 9, 15, 17, 18, 21, 22, 28
11	June 14 (W)	Cost of Capital (cont'd) Raising Capital	14 15	1, 2, 5, 14
12	June 16 (F)	Final exam review	-	

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
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>				X
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>		X		
BC3 Critical Thinking <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	
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>	X			
BI5 Global Awareness (BIB ONLY) <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, 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.

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

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

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

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 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

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

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

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 or at 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.

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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