

**FINA 5501 I**  
**Financial Management**  
**Winter 2022**

**Instructor:** Sana Mohsni, PhD  
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**Office:** 7023 Nicol Building

**Class Schedule:** Monday 2:35 pm – 5:25 pm  
**Office Hours:** Tuesday 9:00 am-10:30 am  
**Classroom:** NI1020

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**Learning Modality:** 18 hours, HyFlex (i.e., delivery in-person; remote attendance possible). Please note that depending on how the current health situation evolves, the course might be converted to an entirely online delivery method.

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**Teaching Assistant:** Zia Rahman  
**Email:** [ZiaRahman@cmail.carleton.ca](mailto:ZiaRahman@cmail.carleton.ca)

**Tutorials:** Wednesday, 6:05pm-7:55pm (NI4030). Please note that there will be no tutorials on the first week of classes. Tutorials will start on Week 2 and end on Week 6.

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**Course Calendar Description:**

Overview of finance from the perspective of the financial manager. Corporate governance issues, financial markets, time value of money, valuation and yields of financial securities, capital budgeting, financial statement analysis, and the trade-off between risk and return.  
Precludes additional credit for BUSI 5504.

**Prerequisite(s):** [ACCT 5001](#) and [BUSI 5801](#).

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**Course Description:**

In this increasingly complex business environment, senior executives in business and public sector organizations require knowledge of financial management. The course offers a broad *overview of finance* from the perspective of the financial manager. Starting with the premise that the goal of finance and management is to increase the value of the firm; we will discuss the key decisions – investment and financing - that contribute to shareholder value. The *investment* side will include analysis of the capital budgeting decision. The financing aspect will focus on equities, bonds, and raising capital in general. Specifically, this course will cover: (i) financial markets, (ii) financial concepts such as time value of money, valuation and yields of financial securities, financial statement analysis, sources of long term financing to a firm, and an overview of the risk-return tradeoffs, and (iii) some basic decision making frameworks, including capital budgeting. This course is an introductory Finance course and provides the necessary foundation for further studies in Finance.

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**Course Goals:**

This course provides the participant with financial management skills and working knowledge that are essential to the effective management of corporations. The objective is to introduce participants to the fundamental concepts, processes, techniques and practices of financial management. The course explores how value can be created through investment and financing decisions, and the management of risks associated with such decisions. The aim is to:

1. Provide a description of corporate financial management and the role of the financial manager,
2. Discuss the role of financial markets and institutions that facilitate the process of financial management,
3. Explore the concept of the time value of money to value stocks and bonds, (4) to explore the process of making capital investment, and (5) to introduce the concepts of risk and return.

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**Learning outcomes:**

This course is designed to enable participants to acquire a broad familiarity with the field of financial management. On successful completion of this course, the participant will master the fundamental financial concepts and techniques, and acquire the ability to apply the techniques to financial problem-solving and decision-making in a professional role as a manager or financial analyst. Specifically, on successful completion of this course, you would be able to:

- Explain the goal of Financial Management and the conflicts of interest between managers and owners.
- Compute the future value and present value, and apply the concept of Time value of money to real world financial situations.
- Determine the value of different securities, such as bonds and stocks.
- Develop proficiency in the areas of asset valuation and project evaluation.
- Recognize how stock prices depend on future cash flows and be able to compute stock prices using the dividend growth model.
- Compare and contrast the different criteria used to make investment decisions (Payback rule, accounting rates of return, internal rate of return, net present value rule, etc.).
- Determine the relevant cash flows for a proposed investment and apply NPV criterion using projected cash flows.
- Evaluate the merits of alternative techniques used to evaluate long-term projects.
- Understand how financial markets work and know the historical rate of returns and risks on various types of investments.
- Calculate the expected return and standard deviation (risk) of investment returns and understand the risk-return tradeoff.

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**REQUIRED TEXT TEXTBOOK:**

Brealey, Myers, Marcus, Maynes, and Mitra, Fundamentals of Corporate Finance, 7th Canadian Edition, McGraw Hill Ryerson, 2016.

**A Financial Calculator** is required for this course; Texas Instruments BAII plus is recommended.

**Additional resources from the business press:**

The following Web sites may be useful: CNN Finance, The Financial Times. The Economist, the Globe and Mail, the National (Financial) Post.

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**Tutorials:**

Weekly tutorials will be offered in this course, the purpose of which is to help you solve course-related problems and to offer an additional reinforcement of topics covered in class. End of chapter problems will be uploaded to Brightspace for you to attempt, and should you require clarification, the tutorial will offer that. If a student is fully confident and comfortable with the material, there may not be any value added with the tutorial. **However, those students who are taking finance courses for the first time, are strongly advised to attend the tutorials.**

Grading	Weight	Due date
Case Study (group work)	20%	48h after last class before midnight, online submission via Brightspace
2 Quizzes	Each quiz is worth 15%	Week#4 and Week#6, online via Brightspace
Final Exam	50%	TBA

**CASE ANALYSIS:** The learning in the class will focus more on the thought process in analyzing business situations, not just on the solutions per se. In order to derive maximum benefits from the cases, it is essential that you mentally 'get inside' the case situation. Do not approach a case as you would a chapter in a book or an article in a magazine. You are not an observer, but a participant. If a case centers on a decision that needs to be made, put yourself in the shoes of the manager/decision maker. Feel the frustration he or she feels with respect to data limitations. Feel the pressures he or she feels with respect to difficult tradeoffs, limited resources, political conflicts, or whatever. Once in class, share your ideas with others.

In preparing the cases, the following simple rules may be useful:

- (1) Adopt a management posture in analyzing cases. Use the assignment questions as a guide only. Your answer should highlight what you, as a manager, see as the strengths or weaknesses in a given situation.
- (2) Familiarize yourself with the facts of the case. Outline the industry and competitive context and the core strategic tasks that the firm should excel at.
- (3) Support your analysis with facts from the case. Most cases will not contain all data you might like to have. Nevertheless, you'll be surprised at how easily you can make accurate inferences and useful assumptions if you simply give the current management the benefit of the doubt.

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**QUIZZES**

To encourage you to keep up with the course material and to assess your understanding of concepts covered in class, two in-class online quizzes will be administered in this course (in-class online means that the quizzes will be administered online during the regular class time). Each quiz will be 30 minutes

in duration, will be administered at the beginning of the class, and will consist of multiple choice questions that will test your understanding of the theory and application of corporate finance. Quiz#1 will test you on material covered in Lectures 1, 2, and 3, and Quiz#2 will test you on material covered in Lectures 4 and 5. The quizzes will be closed-book but you can use a one-page self-prepared formulae sheet. Students will be allowed to use a TI BAI plus calculator or equivalent. Note that there will be no make-up quiz.

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### **FINAL EXAM**

A final exam will be conducted online via Brightspace during the usual MBA exam period. It will be a 3-hour exam and all students will be writing the exam at the same time with webcams on. The final exam will be a mix of multiple-choice questions and problems, and will test your knowledge of the theory and applications of finance covered in class and in the readings. The final exam is closed-book and closed-notes. Students will be allowed to use a financial calculator and a formulae sheet. Practice questions that will be posted in Brightspace will help you prepare for the exam. Students unable to write a final examination because of illness or other circumstances beyond their control must contact the instructor and the MBA office in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and or appropriate document/s to support the reason for the deferral. **Allowance will not be made for conflicting travel plans.**

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### **Expectations**

1. Attend all classes and be attentive in class. The topics that will be covered in this course are cumulative. Missing a lecture could adversely affect your understanding of subsequent materials.
2. Read the relevant chapters of the textbook before each lecture.
3. Attempt the assigned practice questions. You may browse the Applied Corporate Finance Website and try some of the chapter questions. Practice Practice Practice! This is how finance is learned.
4. Assemble a group, read and prepare the case study and be prepared to participate in the discussion. Much of the learning from cases comes through participation and discussion, including discussion within your group before class.
5. Read the business section of at least one major newspaper (e.g. The Globe & Mail, Report on Business or The National Post (Daily), and The Wall Street Journal) to keep up with the latest developments in the Finance community.
6. Write all quizzes and the exam. Participate actively in your group work.
7. You are responsible for material covered in class and in the textbook chapters addressed in the course.

**Drop Course Policy:** The deadline for academic withdrawal is the last day of classes (each term).

<b>TENTATIVE CLASS SCHEDULE</b>	<b>DATE</b>	<b>Topic</b>	<b>Readings</b>
WEEK #1	MAR 7	Overview of Corporate Financial Management & Financial Markets	BMMMM: Chps. 1 & 2
WEEK#2	MAR 14	Time value of money & Discounted cash flow valuation	BMMMM: Chp. 5
WEEK#3	MAR 21	Discounted cash flow valuation & Bond valuation	BMMMM: Chp. 6
WEEK#4	MAR 28	Stock Valuation & Capital Market Efficiency, Quiz#1	BMMMM: Chp. 7
WEEK#5	APR 4	Capital Budgeting Analysis,	BMMMM: Chp: 8
WEEK#6	APR 11	Introduction to Risk and Return & Wrap up*, Quiz#2	BMMMM: Chp 11

**Contribution to Program Learning Goals (MBA):**

<b>MBA Learning Goal</b>	<b>Not Covered</b>	<b>Introduced</b>	<b>Taught but Not Assessed</b>	<b>Taught and Assessed</b>
<b>MB1 Leadership and Collaboration</b> <i>Graduates will be equipped for leadership and collaboration.</i>		✓		
<b>MB2 Communication</b> <i>Graduates will be effective communicators</i>				✓
<b>MB3 Critical Thinking and Problem Solving</b> <i>Graduates will be skilled in critical thinking and problem solving.</i>				✓
<b>MB4 Functional Knowledge</b> <i>Graduates will have functional knowledge of all areas of business.</i>				✓

<b>MB5 Global Business</b> <i>Graduates will have an appreciation of the global environment of business.</i>		✓		
<b>MB6 Ethical Reasoning</b> <i>Graduates will be skilled in ethical reasoning and decision-making.</i>	✓			

### 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).

#### Recommended Calculator for 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 Spratt School of Business encourages group assignments. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership and other group skills. Group assignments are also an effective way to learn integrative skills for putting together a complex task. Your professor may assign one or more group tasks, assignments, or 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.

#### Letter Grades:

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    F = Below 50  
 A = 85-89    B = 73-76    C = 63-66    D = 53-56  
 A - = 80-84    B - = 70-72    C - = 60-62    D - = 50-52

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**

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: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **Religious Obligations**

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: <https://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

- **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. <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: <https://carleton.ca/sexual-violence-support/>

- **Student Activities**

Carleton University recognizes the substantial benefits, to both the individual student and the university, that result from participating in activities beyond the classroom experience. Reasonable accommodation will 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: <https://students.carleton.ca/course-outline/>

### **Academic Integrity:**

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—are a serious academic offence, 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 full-time 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/>

### **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: <https://carleton.ca/csas/>

### **Other 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 can do so by visiting <https://carleton.ca/its/get-started/new-students-2/>