Instructor: Dr. Yuriy Zabolotnyuk, CFA, FRM  
Office: Dunton Tower 1713  
Office Hours: Tuesday 1:35PM-2:25PM or by appointment  
Email: yuriy.zabolotnyuk@carleton.ca  
Phone Number: (613) 520-2600 ext 3206

Course meets:  
Section A: Tuesday 2:35PM-5:25PM in DT328  
Section D: Monday 6:05PM-8:55PM in DT328

PLEASE NOTE: I will be visiting the Shanghai MBA program during the Winter break and will be returning on Tuesday, January 10. There will be NO Section D lecture on Monday, January 9. However, there will be a make-up class on Wednesday, January 11 from 11:35AM-2:25PM in DT328. If you cannot attend the make-up class, you can attend the Section A lecture on Tuesday, January 10 from 2:35PM-5:25PM in DT328.

Pre-requisites: ACCT 5001, ACCT 5002, BUSI 5801 and FINA 5501.

Calendar Description:  
Aspects of corporate finance of most concern to managers: investment, financing and payout decisions, corporate restructuring. Case studies will be used.

Course Description and Objectives:  
This course offers a broad overview of finance from the perspective of the financial manager. It focuses on financing securities and choices faced by the firm, its decisions about capital structure and dividend policy as well as working capital management. This is the second of the two core courses in finance and the course is designed to meet the needs of a wide array of students; many may not have any interest in choosing finance as their area of concentration. Thus, the content of this course covers broad but key concepts, principles, and analytical tools that are of interest to anyone who intends to work in business. The course should also help you gain an appreciation for some key areas of financial decision-making and its importance to the success of the enterprise.
Textbook:

Grading Scheme:
- In-class quizzes (3@10%) 30%
- Group Assignments (2@15%) 30%
- Final exam 40%
- Total 100%

Course objectives:
Upon completion of this course, students will be expected to have:
1. a general understanding of the financing choices faced by the Financial manager
2. an understanding of the traditional as well as some hybrid securities and corresponding issues
3. an understanding of time tradeoffs between debt and equity as well as between internal and external financing
4. Issues related to short term financing and working capital and its components

Method of instruction:
The format of the course consists generally of one 170-minute class meetings per week. Due to time constraints not all chapter material will be covered in class. Students are responsible for the entire content of each chapter of the textbook as well as all additional topics discussed in class, except for those areas specifically excluded by the instructor. Class sessions entail a mixture of lecture, mini cases, problems and class discussion. The content of any lecture presumes and expects you have carefully studied the assigned reading or chapters and are prepared for each class. Lectures may only cover major topics and readings, yet you are responsible for all assigned materials. The sessions are expected to be interactive and class participation from each one of you is encouraged.

Expectations:
The course will require you to both understand the economic intuition of financial concepts and to perform mathematical calculations.

1. Reading – You are expected to have covered the readings before class. After class, you should re-read the chapter to gain a complete understanding of the material.

2. 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.

Notes on Examinations and Quizzes
The final exam will cover both the theory and application of topics covered in classes and the readings. The final examination is closed-book and closed-notes. Students are allowed to bring in a TI BAII plus calculator only. The final exam will consist of multiple choice and short essay/problem type questions. The date for the final exam will be posted by the University later in the semester. Quizzes are designed to focus on material that was just covered. They will be approximately 20 minutes in length.

**Exam and Quiz Attendance**

If a student is unable to sit for a quiz due to verifiable illness (or, in rare cases, some other circumstances beyond your control), the mark allocation to that quiz will be allocated to remaining quizzes. If a student is unable to sit for the final exam, the student may apply to the Registrar’s Office to write a deferred examination. Deferral final examination will only be granted to students showing satisfactory in-term 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 examinations are not granted to students who make travel plans that conflict with the examination period.

### Satisfactory In-term Performance

1. The criterion and the standard for Satisfactory In-term Performance are as follow: 50% of total pre-final exam work (cumulative) marks. This includes total marks for all quizzes and midterm exam.

2. Unsatisfactory In-term Performance in this course will lead to

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<thead>
<tr>
<th>Failure in this course (regardless of the performance at the Final exam or final project)</th>
<th>No</th>
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<tr>
<td>FND grade in this course (in case of missed Final exam)</td>
<td>Yes</td>
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COURSE SCHEDULE (TENTATIVE AND SUBJECT TO CHANGES)

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Chapters in Brealey et al.</th>
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<tbody>
<tr>
<td>1</td>
<td>Jan.10 (11)</td>
<td>Risk and return</td>
<td>11, 12</td>
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<tr>
<td>2</td>
<td>Jan.17 (16)</td>
<td>Cost of capital, Quiz 1</td>
<td>13</td>
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<td>3</td>
<td>Jan. 24 (23)</td>
<td>Using DCF to make investment decisions</td>
<td>9</td>
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<td><strong>Group Project 1 is due January 29 @ 5pm</strong></td>
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<td>4</td>
<td>Jan. 31 (30)</td>
<td>Raising capital, Dividend policy, Quiz 2</td>
<td>15, 18</td>
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<td>5</td>
<td>Feb.7 (6)</td>
<td>Leverage and capital structure</td>
<td>16</td>
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<td><strong>Group Project 2 is due February 12 @ 5pm</strong></td>
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<tr>
<td>6</td>
<td>Feb.14 (13)</td>
<td>Options, Quiz 3</td>
<td>25, 10.4</td>
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<td></td>
<td>Feb. 28 (27)</td>
<td>Final Exam</td>
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ADDITIONAL INFORMATION

**Policy on Mobile Devices**

The use of mobile devices IS NOT PERMITTED in this class. It is disruptive to the instructor and class members. If you carry such a device to class, please make sure it is turned off. If an emergency situation requires you to keep it turned on, please discuss this with your instructor prior to class.

**Course Sharing Websites**

Student or professor 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).

**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 instructor 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.

**Person with Disabilities**

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608.
or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). Requests made within two weeks will be reviewed on a case-by-case basis. After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website (www.carleton.ca/pmc) for the deadline to request accommodations for the formally-scheduled exam (if applicable).

Religious Observance

Students requesting academic accommodation on the basis of religious observance should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton’s Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

Pregnancy

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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: http://carleton.ca/studentaffairs/academic-integrity/.