FINA5521A Course Outline
Fall (F2) 2016

Instructor Information

Instructor: Jorge Cruz Lopez  
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Office: TBA  
Website: TBA
Phone: TBA  
Office Hours: Fridays 6:00:PM to 7:30PM.

Course Details

Term: Fall (F2): From October 31 to December 9, 2016.
Lecture Times: Mondays 6:05PM to 8:55PM
Lecture Location: Canal Building 2202
Number of Lectures: 6
Final Exam Date: Monday December 12, 2016 from 6:05PM to 8:55PM.
Final Exam Location: Canal Building 2202
Credits: 0.25
Restrictions: Precludes additional credit for BUSI 5500
Prerequisites: ACCT 5001, ACCT 5002, BUSI 5801, FINA 5501, FINA 5502, FINA 5512 and FINA 5513.
Graduate Calendar Description: Integrates and applies all the accounting and finance concentration coursework. Critical thinking is stressed via the case study approach. Focuses on complex problems and allows students to gain a deeper understanding of the salient issues discussed within the financial management concentration.
Drop Course Policy: The deadline for academic withdrawal is the last day of classes (each term).
Course Description

This is the final finance course for students specializing in Financial Management in the MBA program. The course will focus on applying and refining the techniques learned in previous finance courses and will introduce new tools applicable to a broad set of managerial problems.

The course will cover three main sections: (1) Defining value and wealth creation, (2) Measuring value and wealth, and (3) Understanding the link between value and value-based management.

Throughout the course, students will gain a better understanding of the role that financial professionals, such as analysts, managers and CFOs, play in organizations. More importantly, students will learn about the limitations of financial tools in certain contexts and the challenges of making financial decisions under uncertainty. We will review the theoretical and practical debates surrounding these challenges, as well as the most efficient techniques used to overcome them. This knowledge should prove valuable to all students given the changing economic and corporate environment that they are likely to encounter during their career.

Please note that the course pre-requisites grant the assumption that enrolled students have a good understanding of managerial accounting, statistics, and corporate finance. Please review the material covered in pre-required courses before attending the first lecture.

Method of Instruction

There will be one 170-minute lecture per week. Lectures will consist of a combination of presentations and discussions. There are a number of readings (e.g., case studies and academic or practitioner articles) and projects (e.g., case study reports and presentations) assigned for each session. Students are responsible for reading the relevant materials and completing the required projects prior to each lecture.

During each lecture the instructor will randomly select a few students to present a brief summary of the assigned readings or projects and their participation will be graded.

Please note that due to time constrains, not all of the assigned materials (i.e., readings, lecture slides/notes) will be covered in class. However, students are still responsible for studying these materials as they will be tested in the final exam.

Lectures are expected to be interactive and active participation is strongly encouraged (and graded).
**Course Material**

*There is no required textbook for this course.* Readings will consist of case studies, book chapters, and academic or practitioner articles. These readings will be available through the course outline, the course website or the University Library.

Please note that most of the assignments are based on case studies. Therefore, students are strongly encouraged to research additional material that they may consider relevant from the University Library or any other sources.

You might also want to consider the following books to support your learning or for future reference:


**Grading Scheme**

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Participation</td>
<td>10%</td>
</tr>
<tr>
<td>Case-study reports (4)</td>
<td>20%</td>
</tr>
<tr>
<td>Case-study presentations (2)</td>
<td>10%</td>
</tr>
<tr>
<td>Final project</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Please note that all grades are subject to the approval of the Dean.

**Graded Components**

**Participation**

*Work type: Individual*

**Context:** Students are expected to actively contribute to class discussions and their colleagues’ presentations. In addition, during each lecture the instructor will randomly select a few students to present a brief summary of the assigned readings.

**Evaluation:** Students will be evaluated based on the quality of their contributions to class discussions, as well as on their demonstrated ability to summarize and explain the concepts in the assigned readings. At the beginning of each lecture, students will be required to hand in a one to two-page summary of the assigned readings. Point form is acceptable.
Graded Components Continued

Case-study reports (4)  **Work type:** Groups (pre-assigned)

**Context:** There will be four case-studies assigned for this course. These cases will be analyzed in pre-assigned groups of 3-4 students. Each group is required to prepare a 10 to 15-page report with the following sections:

1. Executive summary (with an overview of the identified issues, analysis and recommendation)
2. Summary of the situation/context
3. Identification of the problems/issues
4. Proposed solution/recommendations
5. Analysis supporting the proposed solution
6. Conclusion

**Evaluation:** Groups will be assigned during Session 1 (see Course Schedule below). Each group will be evaluated based on the quality of its reports and analyses. In addition, each group member will be evaluated based on his/her individual contribution as assessed by other group members.

Case-study presentations (2)

**Work type:** Groups (pre-assigned)

**Context:** Each group will be required to present its analysis of two of the four case-studies described in the previous section. Groups conducting a presentation are required to prepare PowerPoint slides and handouts for the entire class. These handouts should include all relevant tables and calculations. A typical presentation will be structured as follows:

1. Summary of the situation/context: 5min
2. Identification of problems/issues: 10min
3. Proposed solution/recommendations: 15-20min
4. General class discussion: 10-15min.
5. Conclusion: 5min

**Evaluation:** Dates for presentations will be assigned during Session 1 (see Course Schedule below). Each group will be evaluated based on the quality of its presentations and analyses. In addition, each group member will be evaluated based on his/her individual contribution as assessed by other group members.
Graded Components Continued

Final Project

**Work type:** Groups (pre-assigned)

**Context:** Each group will be required to prepare a case-study based on a particular issue faced by a non-financial company listed in the TSX. Groups can take the role of the CFO in the selected company, an external analyst advising on a potential M&A, or an asset manager considering to invest in the company.

The analysis should be constrained to the last five years for which company data is available. Each group should identify a particular issue or situation faced by the company, conduct a full analysis, and provide recommendations for addressing the identified issue or situation. The best analyses will consider all aspects of financial management (e.g., performance, real options, cost of capital, capital structure, dividend policy, compensation, valuation, etc.).

Reports should not exceed 25 pages and they should include the following sections:
1. Executive summary (with an overview of the situation, identified issues, analysis and recommendation)
2. Description of the company and industry
3. Summary of the situation/context
4. Identification of problems/issues
5. Proposed solution/recommendations
6. Analysis supporting the proposed solution
7. Conclusion

**Evaluation:** Final projects are due on Session 6 (see Course Schedule below). Each group will be evaluated based on the quality of its report and analysis. In addition, each group member will be evaluated based on his/her individual contribution as assessed by other group members.

Final Exam

**Work type:** Individual

**Context:** The final exam will cover all of the material assigned for the course (i.e., readings, lecture notes, case-studies, etc.).

**Evaluation:** The final exam will take place during Session 7 (see Course Schedule below). Each student is required to write the final exam individually. Grades will be assigned following university guidelines.

Important Notes

Please submit a hard AND an electronic copy of your assignments and presentations. Always keep a hard copy for yourself. Acceptable electronic formats are MS Word, MS PowerPoint, and PDF. No other formats will be accepted. **Assignments must be submitted at the beginning of the session when they are due.** Late assignments will not be accepted (with the exception of documented medical reasons). Graded assignments will be returned within two weeks of submission during the lecture.
Satisfactory In-term Performance

In order to achieve Satisfactory In-term Performance, a student needs to complete at least 50% of all pre-final term work (specifically, cases and presentations).

Unsatisfactory In-term Performance will lead to failing grade in this course (FND – Failure No Deferral), regardless of the student’s performance in the final exam.

Deferred Final Examination

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.

Student Preparation

Prior to each lecture, students are required to complete the assigned readings and case-studies for that session. All class discussions will proceed under the assumption that students have read the required material in advance.

Conduct

Students are expected to behave ethically and professionally throughout the course. Among other things, this code of conduct implies respecting other students and the instructor, attending lectures, being punctual, completing all assigned work, and minimizing class disruptions.

In addition, students are expected to perform all required work individually, unless it is explicitly stated that the work can be completed with their assigned groups. All exams, however, must always be completed individually. Any other forms of work-sharing might be considered unethical and could be penalized.

Changes to the Course Outline

Every effort has been made to make the information in this document as complete and as consistent as possible. However, the instructor reserves the right to modify the course outline or required material at his discretion. If changes to this document occur, the instructor will communicate these changes to the students registered in the class and an updated version of the outline will be distributed either by email or through the course website.
Course Schedule and Readings (Tentative)

Session 1
(Oct 31)

1. Introduction to the Course

2. Role of the CFO

3. Cost of Capital
### Course Schedule and Readings Continued (Tentative)

#### Session 2
(Oct 7)

1. **Corporate Finance Decision Domain**
   - Suggested Video: Carl Icahn & Bill Ackman on Activist Investing. Available online at [https://www.youtube.com/watch?v=DMvfZCFhmHo](https://www.youtube.com/watch?v=DMvfZCFhmHo)

2. **Review of CAPEX/Investment Decisions**

**Case 1 Due: PepsiCo**

#### Session 3
(Oct 14)

1. **Measuring Corporate Performance: Shareholder Value, Capital Structure Part I**

**Case 2 Due: Euroland Foods (roles will be assigned to different groups)**
**Course Schedule and Readings Continued (Tentative)**

**Session 4**  
(Nov 21)
**1. Measuring Corporate Performance: Shareholder Value, Capital Structure Part II**


**Case 3 Due: Valmont Industries**

**Session 5**  
(Nov 28)
**1. Incentives**


**Case 4 Due: WM Wrigley**
## Course Schedule and Readings Continued (Tentative)

<table>
<thead>
<tr>
<th>Session 6</th>
<th>1. Real world and Summary</th>
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<td>(Dec 5)</td>
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**Final Project Due**

<table>
<thead>
<tr>
<th>Session 7</th>
<th>Final Exam</th>
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<tr>
<td>(Dec 12)</td>
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</table>
**Additional University Policies**

**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).

**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.

**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*

**Persons with Disabilities**

Students with disabilities requiring academic accommodations in this course are encouraged to contact a co-ordinator at the Paul Menton Centre for Students with Disabilities to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with me at least two weeks prior to the first in-class test or ITV midterm exam. This is necessary in order to ensure sufficient time to make the necessary arrangements. Please refer to [http://www.carleton.ca/pmc/](http://www.carleton.ca/pmc/) for all PMC information.

**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://www2.carleton.ca/sasc/advisingcentre/academic-integrity/](http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/).
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Sept. 5</td>
<td>University closed, Statutory holiday.</td>
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<tr>
<td>Sept. 6</td>
<td>F1 (six weeks) and F1&amp;F2 (12 weeks) classes begin.</td>
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<td>Sept. 30</td>
<td>Last day to withdraw from fall term courses with a full fee adjustment (financial withdrawal).</td>
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<td>Oct. 10</td>
<td>University closed, Statutory holiday.</td>
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<tr>
<td>Oct. 14</td>
<td>F1 classes end. Deadline for academic withdrawal is the last day of classes (each term).</td>
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<td>Oct. 17-21</td>
<td>F1 Exam and final project week. No regularly scheduled MBA classes with the exception of non-MBA courses, e.g. INAF/PADM/DATA classes.</td>
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<tr>
<td>Oct. 24-28</td>
<td>Fall break, no classes.</td>
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<tr>
<td>Oct. 31</td>
<td>F2 (six weeks) classes begin.</td>
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<tr>
<td>Nov. 25</td>
<td>Winter Payment Deadline. Visit the Fee Payment page for important payment information. Late charges may be applied to the student account any time after this date.</td>
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<tr>
<td>Dec. 9</td>
<td>F2 classes end. Deadline for academic withdrawal is the last day of classes (each term).</td>
</tr>
<tr>
<td>Dec. 12-16</td>
<td>F2 Exam and final project week. No regularly scheduled MBA classes with the exception of non-MBA courses, e.g. INAF/PADM/DATA classes.</td>
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