

**The University of Western Ontario
Management and Organizational Studies
MOS 310b: FINANCE
Section 001-Winter 2008**

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Mondays 10:30-12:30pm in UC-202 and Wednesdays 10:30- 12:30pm in UC-222

COURSE OBJECTIVES

This course is designed to provide a broad overview of issues in financial management and corporate finance. The student will learn how financial managers make investment, financing, capital structure and other decisions and will be introduced to the financial tools and methods used by the financial managers. Topics covered will include financial analysis, risk, valuation, capital structure, capital budgeting, working capital management, dividend policy and other selected issues.

PREREQUISITES

Business 257 and enrolment in the BMOS program is prerequisite. Note: it is the student's responsibility for ensuring that course prerequisites have been successfully completed or special permission from the Dean obtained. "Unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites."

TEXTBOOKS

Required:

Gitman, Lawrence J. and Sean M. Hennessey, "Principles of Corporate Finance" Second Canadian Edition, Pearson Education Canada Inc. Also visit text's web page at www.pearsoned.ca/gitman

Recommended:

Ross, Westerfield, Jordan and Roberts, "Fundamentals of Corporate Finance", Fifth Canadian Edition, McGraw-Hill Ryerson, 2005.

EVALUATION

Midterm Examination 40% (February, exact date to be announced)

Final Examination 40% (To be scheduled by Registrar's Office)

Group Presentation 15%

Class Contribution 5%

CALCULATORS

You will need a simple financial calculator. I strongly recommend **Texas Instruments BAI PLUS**. Please bring your calculator in each class with you in order to be able to take part in class discussions.

EXAMINATIONS

There will be no make-up midterm exam. However, a make-up exam can be arranged only if you provide official documentation to the Social Science Academic Counseling Office and the Office validates the request.

NOTES

Plagiarism:

It is the student's responsibility to submit his or her own original written material. Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a serious academic offence (see Scholastic Offence Policy in the Western Academic Calendar).

Plagiarism Checking:

The University of Western Ontario uses software for plagiarism checking. Students may be required to submit their written work in electronic form for plagiarism checking. See the current "Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: <http://www.uwo.ca/univsec/handbook/appeals/scholoff.pdf>."

Use of personal computers during examinations will not be permitted.

TOPICS:

Following is a broad outline of the topics covered in this course.

I. Introduction

- Overview of Corporate Finance (Chapter 1)

II. Financial Analysis and Planning

- Financial Statement Analysis (Chapter 3)
- Financial Planning and Forecasting (Chapter 4)

III. Financial Tools and Concepts

- Financial Markets, Institutions and Securities (Chapter 5)
- Time Value of Money (Chapter 6)
- Risk and Return (Chapter 7)
- Valuation of Financial Securities (Chapter 8)

IV. Long-Term Financial Decisions

- The Cost of Capital (Chapter 9)
- Leverage and Capital Structure (Chapter 10)
- Dividend Policy (Chapter 11)

V. Long-Term Investment Decisions

- Capital Budgeting: Principles and Techniques (Chapter 12)
- Capital Budgeting: Dealing with Project Risk and Other Topics (Chapter 13)

VI. Working Capital Management

- Working Capital and Current Asset Management (Chapter 14)
- Management of Current Liabilities (Chapter 15)

VII. Special Topics

- Lease Financing: Concepts and Techniques (Chapter 16)
- Corporate Securities: Derivatives and Swaps (Chapter 17)
- Mergers and Acquisitions (M&A) and Business Failure (Chapter 18)
- International Corporate Finance (Chapter 19)