

**The University of Western Ontario  
Management and Organizational Studies**

**MOS 3310B: Finance**

Winter 2008, Session 2

Monday & Tuesday: 11:30—1:30pm in SSC3028

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Office Hours:  
Tuesday, 9-11am or  
by appointment

**Course Objectives**

This course is designed to provide an overview of issues in financial management and corporate finance. The students will be introduced to fundamental finance principles, learn how financial managers make investment, financing, capital structure, and other financial decisions, and be introduced to the financial tools and methods used by financial managers.

**Textbook**

Brealey, R., Myers, C., Marcus, A.J., Maynes, E.M., and Mitra D. 2006. *Fundamentals of Corporate Finance (Third Canadian Edition)*. Toronto: McGraw-Hill Ryerson.

**Evaluation**

Midterm Examination	40% (TBA)
Final Examination	40% (TBA)
Group Assignments	20%

Both the midterm and final will be closed-book exam. The final exam will be non-accumulative.

There will be four assignments, 2 before the midterm and 2 after. Each assignment will worth 5 points. Please form a group of 2 or 3 (no more than 3) students, and hand in one assignment only together as a group. The groups are to be organized by students themselves.

**Calculators**

You'll need a scientific or financial calculator (not programmable) for class discussions and exams. You are encouraged to learn and use a financial calculator in our class. I strongly recommend Texas Instruments BAII Plus if you plan to get a financial calculator.

**Topics (See lecture schedule)**

- I. Introduction (Chapters 1–3)
- II. Financial Planning (Chapters 17–18)
- III. Valuation (Chapters 4–9)
- IV. Risk, Return, and Capital Budgeting (Chapters 10–12)
- V. Corporate Financing and Capital Structure (Chapters 13–16)
- VI. Short-term Financial Decisions (Chapters 19–21)
- VII. Special Topics (if time permits)

## **Important Remarks**

**There will be no make-up mid-term given. If you miss the mid-term and are able to provide official documentation, the weight of the mid-term will be added to the final.**

**If you miss the final exam, requests for make-up exams and other special arrangements will ONLY be considered in extenuating circumstances and ONLY upon recommendation of Academic Counseling or the Dean's Office. Please see Academic Counseling before requesting exam accommodation.**

Requests for reassessments must be made within 7 working days after the graded material has been made available to students (i.e., the day the test is returned). If a student does not claim the returned material within 7 working days after the grade material has been returned to class, the student automatically forfeits the right to request for reassessments. Reassessments should normally be completed within 20 working days of the request. The instructor reserves the rights to adjust the grade upward or downward due to the reassessment.

Cheating, plagiarism, and disruption of classes are not permitted; UWO considers these to be serious offences. Students must write their essays and assignments in their own words. Whenever students take an idea or 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. (See, "Scholastic Offences" in the UWO Calendar for further explanation).

Plagiarism is a major academic offence. For information on scholastic offences, penalties and other academic rights and responsibilities please see the [Academic Rights and Responsibilities](#) section of the academic calendar.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

## Lecture Schedule (Tentative)

<b>Date</b>	<b>Chapter</b>	<b>Topic</b>
<b>Introduction</b>		
Jan 5	Chapter 1	Overview of Managerial Finance
Jan 6	Chapter 2	The Financial Environment
Jan 12	Chapter 3	Finance and Accounting
	Chapter 17	Financial Statement Analysis
Jan 13	Chapter 18	Financial Planning
<b>Valuation</b>		
Jan 19	Chapter 4	Time Value of Money
Jan 20	Chapter 4	Time Value of Money
Jan 26	Chapter 5	Valuing Bonds
Jan 27	Chapter 6	Valuing Stocks
Feb 2	Chapter 7	Net Present Value
Feb 3	Chapter 8	Discounted Cash Flow Analysis
Feb 9	Chapter 9	Project Analysis
Feb 10	Mid-term Review	
Mid-term Exam		
<b>Risk and Return</b>		
Feb 23	Chapter 10	Risk and Return
Feb 24	Chapter 10 & Chapter 11	Risk, Return, and Capital Budgeting
<b>Capital Budgeting</b>		
Mar 2	Chapter 11	Risk, Return, and Capital Budgeting
Mar 3	Chapter 12	Cost of Capital
<b>Corporate Financing and Capital Structure</b>		
Mar 9	Chapter 13	Corporate Financing
Mar 10	Chapter 14	Corporate Securities
Mar 16	Chapter 15	Capital Structure
Mar 17	Chapter 16	Dividend Policy
<b>Financial Planning and Short Term Financial Decisions</b>		
Mar 23	Chapter 18	Financial Planning
Mar 24	Chapter 19	Working Capital Management
Mar 30	Chapter 20	Cash and Inventory Management
Mar 31	Chapter 21	Credit Management
Apr 6	Special Topics	
Apr 7	Final Exam Review	

## **GENERAL INFORMATION**

If, on medical or compassionate grounds, you are unable to meet your academic responsibilities, i.e., unable to write term tests or final examinations or complete course work by the due date, you should follow the instructions listed below. You should understand that academic accommodation will not be granted automatically on request. You must demonstrate that there are compelling medical or compassionate grounds that can be documented before academic accommodation will be considered. Read the instructions carefully. In all cases, action must be taken at the earliest possible opportunity, preferably prior to the scheduled examination, test or assignment.

1. Check the course outline to see if the instructor has a policy for missed tests, examinations, late assignments or attendance. The course outline should include the preferred method of contact (e-mail, phone, etc.).
2. Inform the instructor prior to the date of the scheduled time of the test or examination or due date of the assignment. If you are unable to contact the instructor, leave a message for him/her at the department office.
3. Bring your request for accommodation to the Social Science Academic Counselling Office, Room 2105, Social Science Centre, telephone 519 661-2011 or fax 519 661-3384. Be prepared to submit documentation of your difficulties.
4. If you decide to write a test or an examination you should be prepared to accept the mark you earn. Rewriting tests or examinations or having the value of the test or examination reweighted on a retroactive basis is not permitted.

## **TERM TESTS and MID-TERM EXAMS**

1. If you are unable to write a term test, inform your instructor (preferably prior to the scheduled date of the test). If the instructor is not available, leave a message for him/her at the department office.
2. Be prepared, if requested by the instructor, to provide supporting documentation. Submit your documentation to the Social Science Academic Counselling Office.
3. Make arrangements with your professor to reschedule the test.
4. The Academic Counselling Office will contact your instructor to confirm your documentation.

## **FINAL EXAMINATIONS**

1. You require the permission of the Dean, the instructor, and the Chair of the department in question to write a special final examination.
2. If you are unable to write a final examination, contact the Social Science Academic Counselling Office in the first instance to request permission to write a special final examination and to obtain the necessary form. You must also contact your instructor at this time. If your instructor is not available, leave a message for him/her at the department office.
3. Be prepared to provide the Social Science Academic Counselling Office and your instructor with supporting documentation.

4. You must ensure that the Special Examination form has been signed by the instructor and Department Chair and that the form is returned to the Social Science Academic Counselling Office for approval without delay.

## **LATE ASSIGNMENTS**

1. Advise the instructor if you are having problems completing the assignment on time (prior to the due date of the assignment).
2. Submit documentation to the Social Science Academic Counselling Office.
3. If you are granted an extension, establish a due date.
4. Extensions beyond the end of classes must have the consent of the instructor, the Department Chair and Dean. A Recommendation of Incomplete form must be filled out indicating the work to be completed and the date by which it is due. This form must be signed by the student, the instructor, the Department Chair, and the Dean's representative in the Academic Counselling Office.

## **SHORT ABSENCES**

If you miss a class due to a minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or assignment. Cover any readings and arrange to borrow notes from a classmate.

## **EXTENDED ABSENCES**

If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. This must be done by the appropriate deadlines. (Refer to the Registrar's website for official dates.) The Social Science Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed of your difficulties.

## **DOCUMENTATION**

- **Personal Illness:** If you consulted Student Health Services regarding your illness or personal problem, you should complete a Records Release Form at the time of your visit allowing them to notify Social Science Academic Counselling Office. Once your documentation has been assessed, the academic counsellor will inform your instructor that academic accommodation is warranted.
- If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The doctor must provide verification of the severity of the illness for the period in question. Notes stating "For Medical Reasons" are not considered sufficient.
- **In Case of Serious Illness of a Family Member:** Obtain a medical certificate from the family member's physician.
- **In Case of a Death:** Obtain a copy of the newspaper notice, death certificate or documentation provided by the funeral director.
- **For Other Extenuating Circumstances:** If you are not sure what documentation to provide, ask an Academic Counsellor.

**Note:** Forged notes and certificates will be dealt with severely. To submit a forged document is a scholastic offense and you will be subject to academic sanctions.

## **ACADEMIC CONCERNS**

- You need to know if your instructor has a policy on late penalties, missed tests, etc. This information may be included on the course outline. If not, ask your instructor.
- You should also be aware of attendance requirements in courses such as Business and English. You can be debarred from writing the final examination if your attendance is not satisfactory.
- If you are in academic difficulty, check the minimum requirements for progression in your program. If in doubt, see your Academic Counsellor.
- If you are registered in Social Science courses but registered in another faculty (e.g., Arts or Science), you should immediately consult the Academic Counselling Office in your home faculty for instructions.