

**The University of Western Ontario**  
**Management and Organizational Studies**  
**MOS 3310B: Finance**

Instructor: Shahbaz Sheikh  
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Winter 2009  
Office Hours: Tuesday 11:00–1:00 pm  
Thursday 11:00-1:00 pm  
Other days By appointment

**Course Objectives**

This course is designed to provide a broad overview of issues in financial management and corporate finance. You will learn how financial managers make investment, financing and other decisions and what kind of financial tools and methods they use to make such decisions. Topics covered include time value of money, financial analysis, risk, valuation, capital structure, capital budgeting, working capital management, dividend policy and other selected issues.

**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)
Project/Assignment	15%
Class Participation	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.

**Topics:**

- I. Introduction (Chapters 1–2)
- II. Valuation (Chapters 4–9)
- III. Risk and Return (Chapters 10–12)
- IV. Financing (Chapters 13–14)
- V. Capital Structure and Dividend Policy (Chapters 15–16)
- VI. Financial Planning (Chapters 17–19)
- VII. Short-term Financial Decisions (Chapters 20–21)
- VIII. Special Topics (if time permits)

### **Important Remarks**

***There will be no make-up midterm exam given.*** If you miss the midterm examination and provide valid official documentation (subject to approval by Academic Counseling), then the weight of the midterm will be added to the final.

***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.

If a student misses any classes, it is the student's responsibility to cover any materials missed. Answers and solutions to any questions or practice problems taken up in the lectures will not be posted.

Students who hand in their assignments late will be penalized at 10% per day late (i.e., 2 points towards the final grade), including Saturdays and Sundays.

If a student misses the final exam, it is the student's responsibility to petition Academic Counseling, Dean's Office in order to write a special exam in place of the original exam. Academic Counseling will expect the student to submit the appropriate documentation explaining the student's absence during the time of the original exam.

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.

Students may want to communicate to the instructor via email. It is advised that these questions require only a short answer. Questions that may need an answer longer than three sentences should be

addressed during the office hours. In some instances, the information in the email may be beneficial to the whole class. In this case, the email may be broadcasted to the class. Students are advised, therefore, not to include private or personal information in any emails.

**Lecture schedule (subject to change)**

<b>Date</b>	<b>Topic</b>	<b>Chapter</b>
January 5	Introduction - The Firm and the Financial Manager	1
January 7	The Financial Environment	2
January 12	Financial Statement Analysis /Financial Planning	17 & 18
January 14	The Time Value of Money	4
January 19	The Time Value of Money	4
January 21	Valuing Bonds	5
January 26	Valuing Bonds/ Valuing Stocks	5 & 6
January 28	Valuing Stocks	6
February 2	Net Present Value and Other Criteria	6
February 4	Using Discounted Cash Flow Analysis to Make Decisions	8
February 9	Using Discounted Cash Flow Analysis to Make Decisions / Project Analysis	8 & 9
February 11	Project Analysis	9
	<b>February 16 – 20: Family Day - Reading Week</b>	
February 23	<b>MIDTERM EXAM</b>	
February 25	Introduction to Risk and Return and the Opportunity Cost of Capital	10
March 2	Introduction to Risk and Return and the Opportunity Cost of Capital	10
March 4	Risk, Return and Capital Budgeting	11
March 9	The Cost of Capital	12
March 11	The Cost of Capital	12
March 16	An Overview of Corporate Financing/ How Corporations Issue Securities	13 & 14
March 18	The Capital Structure Decision	15
March 23	Dividend Policy	16
March 25	Working Capital Management and Short-term Planning	19
March 30	Cash and Inventory Management	20
April 1	Credit Management and Collection	21
April 6	Remaining Class Presentations	
April 8	Final Exam Review	