

**The University of Western Ontario  
Management and Organizational Studies  
MOS 3310A: Finance Fall 2010**

Instructor: Shahbaz Sheikh  
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Office Hours: Tuesday 12:00–2:00 pm  
Thursday 12:00-2:00 pm  
Other days; By appointment

**Class meetings: Mondays 1:30-3:30 in UC 85; Wednesdays 1:30-3:30 in TH 3101**

**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. 2009. *Fundamentals of Corporate Finance (Fourth Canadian Edition)*. Toronto: McGraw-Hill Ryerson.

**Evaluation:**

Midterm Examination	40%	(October 23, 2010)
Final Examination	40%	(TBA by the Registrar's office)
Project/Assignment	15%	
Class Participation	5%	

**Calculators**

You will need a financial calculator. I strongly recommend **Texas Instruments BAI PLUS**. Please bring your calculator in each class with you in order to be able to participate 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>
September 13	Introduction -The Firm and the Financial Manager	1
September 15	The Financial Environment	2
September 20	Financial Statement Analysis /Financial Planning	17 & 18
September 22	The Time Value of Money	4
September 27	The Time Value of Money	4
September 29	Valuing Bonds	5
October 4	Valuing Bonds/ Valuing Stocks	5 & 6
October 7	Valuing Stocks	6
October 11	<b>Thanksgiving</b>	
October 18	Net Present Value and Other Criteria	7
October 20	Using Discounted Cash Flow Analysis to Make Decisions	8
October 23	<b>MIDTERM EXAM</b>	
October 25	Project Analysis	9
October 27	Introduction to Risk and Return and the Opportunity Cost of Capital	10
November 1	Risk, Return and Capital Budgeting	11
November 3	The Cost of Capital	12
November 8	The Cost of Capital	12
November 10	An Overview of Corporate Financing/ How Corporations Issue Securities	13 & 14
November 15	The Capital Structure Decision	15
November 17	Dividend Policy	16
November 22	Working Capital Management and Short-term Planning	19
November 24	Cash and Inventory Management	20
November 29	Credit Management and Collection	21
December 1	Course Review	20
December 6	Final Exam Review	21