

# Finance for Management and Organizational Studies

## MOS2310A Section 2



Course Outline: Fall 2011

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### COURSE DESCRIPTION

The concepts developed in MOS2310 form the foundation for all elective finance courses. The main topics include: 1) an overview of managerial finance and the financial environment; 2) the time value of money and capital budgeting techniques; 3) uncertainty and the trade-off between risk and return; 4) security market efficiency and how corporations issue securities; 5) optimal capital structure; 6) dividend policy decisions; 7) short-term and long-term financial decisions; 8) working capital management and 9) current asset management.

### TEACHING MATERIALS

Brigham, Eugene F., Ehrhardt, Michael C., Gessaroli, Jerome, and Nason, Richard R., Financial Management: Theory and Practice, 1<sup>st</sup> Canadian Edition, Nelson, 2011, ISBN-13: 978-0-17-644018-3

### INSTRUCTOR

Danny L. Morrison, MBA  
Room #, SSC 2252  
dmorri28@uwo.ca

### CLASSROOM MC-110

Tuesday 1:30 PM to 3:30 PM  
Thursday 2:30 PM to 3:30 PM

### OFFICE HOURS

Tuesday and Thursday's 8 AM – 10 AM

### EVALUATION

Midterm Examination 50% Saturday, October 15, 2011, 10 AM to 12 Noon  
Final Examination 50% TBA (exam week)  
Total 100%

### TOPICS

- I. Introduction to Corporate Finance (Chapter 1)
- II. Time Value of Money (Chapter 4)
- III. Securities and Their Valuation (Chapters 6, 7, and 8)
- IV. Projects and Their Valuation (Chapters 9, 10, and 11)
- V. Long-Term Financial Decisions (Chapters 12, and 13)
- VI. Financial Statements and Financial Planning (Chapters 2, 3, and 5)
- VII. Short-term Financial Decisions (Chapters 17 and 18)
- VIII. Special Topics (if time permits)

## LECTURE SCHEDULE\*

Topics will be covered in the following order during the term. Approximate lecture dates are given so that you can keep up with the readings. Ideally, you should do the required readings before the topic is covered in class. **Lectures are intended to highlight certain areas of each topic--there is not enough time available for us to cover all the material in class.** However, you are responsible for **all** the material in the text. Thus, it is important for you to keep up with the readings. Students should also note that the workload for this course is heavy and should schedule their time accordingly.

Date*	Read: Chapter	Topic
Sept 8	Course Outline	Introduction
Sept 13	1	Overview of Financial Management
Sept 15	4	Time Value of Money
Sept 20	4	Time Value of Money
Sept 22	6	Bonds, Bond Valuation, and Interest Rates
Sept 27	6	Bonds, Bond Valuation, and Interest Rates
Sept 29	7	Risk, Return and CAPM
Oct 4	7	Risk, Return and CAPM
Oct 6	8	Stocks, Stock Valuation, and Stock Market Equilibrium
Oct 11	8	Stocks, Stock Valuation, and Stock Market Equilibrium
Oct 13		Review
Oct 15	1, 4, 6, 7, 8	<b>MIDTERM EXAM</b>
Oct 18	9	The Cost of Capital
Oct 20	9	The Cost of Capital
Oct 25	10	Capital Budgeting and Evaluating Cash Flows
Oct 27	10	Capital Budgeting and Evaluating Cash Flows
Nov 1	11	Cash Flow Estimation
Nov 3	12	Capital Structure
Nov 8	12	Capital Structure
Nov 10	13	Distribution to Shareholders: Dividends and Repurchase
Nov 15	13	Distribution to Shareholders: Dividends and Repurchase
Nov 17	2,3	Analysis of Financial Statements
Nov 22	5	Financial Planning and Forecasting
Nov 24	17	Working Capital Management
Nov 29	17	Working Capital Management
Dec 1	18	Current Asset Management
Dec 6		Review
Exam Week	9-13, 2,3,5,17,18	<b>FINAL EXAM</b>

\*Dates and order subject to change

## 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.

## **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 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 (see below for information on acceptable forms or documentation). Submit your documentation to the 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 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 Academic Counselling Office and your instructor with supporting documentation (see below for information on 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 Academic Counselling Office for approval without delay.

**Note:** Make sure you know the date, time and location of the special examination. For more information see [Examinations - Common Situations](#).

## **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 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 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 consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. 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 off-campus medical certificate form must be used.

<http://www.uwo.ca/univsec/handbook/appeals/medicalform.pdf>. 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 (see below) 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.

## **FAILED YEAR**

Procedures for completing a [Waiver of the Progression Requirements](#) (DEADLINE IS JUNE 30). [Click here for BMOS Waiver of Progression Requirements](#).

In your petition letter, you must address all of the following questions:

- What were the extenuating circumstances which contributed most significantly to your poor academic performance.) When did the problem(s) arise? Appropriate supporting documentation (eg. medical note from a doctor to document problems, or a letter from a family member or close personal friend to support compassionate grounds) must be submitted with the petition. If you need more information regarding the submission of appropriate documentation, please contact the Dean's Office.
- Answer the following questions:

1. What attempts did you make at the time you were encountering problems that affected your academic performance to contact your instructors, Academic Counsellors, the staff in Student Development Centre (Learning Skills Counsellors), the Ombudsperson, or Student Health Services?
  2. What academic accommodation did you request at the time you were experiencing major problems that were affecting your academic performance?
  3. What steps did you take to minimize the impact on your academic work of the difficulties that you were encountering?
  4. Approximately what percentage of classes did you attend in each course?
  5. What assignments/tests/labs/quizzes/exams did you complete in each course?
  6. Please record the grades you received for assignments/labs/tests/quizzes/exams, etc in each course. If you failed to complete all the course requirements, explain and provide reasons.
  7. Please list the final grade earned in each course in which you were registered during the past academic year.
- Why do you think you would be successful in University-level academic studies, if your petition was granted?
  - What are your academic goals?
    - What is your long-term degree/program objective?
    - In what specific program do you wish to register during the coming year?
    - What specific courses do you wish to take during the coming year?

NOTE: In (b) and (c), do not list courses or programs for which you are not currently eligible. You must check the prerequisites for the program and courses you wish to take.

## **ACCESSIBILITY STATEMENT**

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may wish to contact Services for Students with Disabilities (SSD) at 661-2111 #82147 for any specific questions regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>.