

**Western University**  
**DAN Management and Organizational Studies**

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MOS 2310A Section 004 / Fall 2014  
Class Location: SSC 3024  
Class Hours: Tue 1:30 - 4:30 pm  
Office Hours: Wed 2 - 4 pm

**Objective**

This course provides an overview of issues in financial management and corporate finance. Students will learn how financial managers make investment, financing and other decisions and the tools they use to make such decisions. Topics covered include time value of money, risk, valuation, capital structure, dividend policy and other selected issues. In light of evidence-based management, real-life examples, cases and evidence will be provided.

**Text**

Ross, S.A., Westerfield, R.W., Jordan, B.D., and Roberts, G.S. 2013. **Fundamentals of Corporate Finance. 8<sup>th</sup> Canadian Edition.** Toronto: McGraw-Hill Ryerson.

**Evaluation**

Midterm Examination	40%	(October 18, 10 am-12 noon)
Final Examination	40%	(To be scheduled by Registrar's Office)
Quizzes	20%	(See below)

**Exams**

Each exam will be scheduled for **2 hours** and will be a closed book examination. Dictionaries and translators are **NOT** allowed into the examinations. Only **non-programmable calculators** will be allowed into the exams.

Make-up exams will only be scheduled once the student has provided adequate documentation to Academic Counselling and the proper forms have been completed (see below for process).

Students are responsible for material covered in the lectures **as well as** the assigned material in the text.

Exams will not be returned to students but may be reviewed in the instructor's office.

Exams will be scored using the program Scan Exam which examines answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

**Quiz Schedule\***

This is a tentative schedule and is subject to change. There will be a total of eight (8) quizzes throughout the semester. Quizzes open and close at 9 am of dates indicated. Each quiz 1 through 8 is required (i.e. mandatory) and collectively is worth 20% towards your total grade. Tentative quiz schedule is as follows. You are responsible for following the instructions on how and by when to submit each assignment. Failure to submit by the due date and time will result in a grade of zero. The quizzes can be access at the course website: <https://owl.uwo.ca/portal>

Quiz	Based on Chapter(s)	Start Date (Open)	Stop Date (Closes)
#1	1, 2, and 3	Sep 9	Sep 15
#2	4, 5	Sep 16	Sep 29
#3	6, 7	Sep 30	Oct 6
#4	8	Oct 7	Oct 16
#5	10, 11, and 12	Oct 28	Nov 13
#6	13, 14, 15	Nov 14	Nov 17
#7	16, 17	Nov 18	Mar 24
#8	18, 19	Nov 25	Dec 2

### **Topics (See lecture schedule)**

- I. Introduction (Chapters 1–2)
- II. Financial Planning and Analysis (Chapters 3–4)
- III. Valuation (Chapters 5–8)
- IV. Capital Budgeting (Chapter 9–11)
- V. Risk and Return (Chapter 12–13)
- VI. Cost of Capital and Long-term Financial Policy (Chapter 14–17)
- VII. Short-term Financial Planning (Chapters 18–20)
- VIII. Special Topics (if time permits)

Note: this is tentative and subject to change. Any changes will be announced in class.

### **Attendance**

It is recommended that students attend class regularly. Materials covered in lectures will not always be the same as materials covered in the textbook and should be viewed as complementary. If you miss a lecture, you are responsible for obtaining any material or announcements you missed. 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.

### **Office Hours**

Office Hours are on a first-come-first-served basis. You do not need to make an appointment to come and see the professor during office hours. If you would like to see the professor outside of office hours, please set up an appointment beforehand by email.

### **Laptop policies in class:**

All lecture notes are posted on the password-protected course webpage; students can download the notes prior to each class and write on them during the lecture. For this reason, no laptops are allowed during class, unless otherwise advised by special services or Student Counselling, or under special circumstances. In those instances, the student must receive prior permission by the instructor.

### **Email policies:**

For privacy reasons, students must use their Western email accounts to contact the professor. The professor will not respond to emails from non-uwo.ca addresses (e.g., hotmail.com, gmail.com, yahoo.com, etc.). Subject line must include course and section number.

Acceptable emails include:

- questions about the course content or materials that require no more than two sentences in the instructor's email reply
- asking to set up or reschedule an appointment
- notification of illness or special circumstances

- providing constructive comments or feedback about the course

Non-acceptable emails include:

- questions that may be answered on the course webpage or the course outline
- asking when grades will be posted
- asking what grade a student received or whether the student passed the test/exam
- asking when or where an exam/test is scheduled
- asking which material will be covered on an exam/test
- asking for tips about an exam/test
- requests for grade increases, extra assignments, or reweighting of course components
- questions about the course content or materials that require more than two sentences in the instructor's email reply
- questions about course administration (e.g., additional office hours, changes in lecture schedule) that has been announced in class
- questions related to exam/test materials after the exam/test and before the exam/test is returned to class

*The instructor will not reply any non-acceptable emails.*

The instructor will not re-teach in emails any material covered in class. Students are responsible for any missed material.

The instructor performs many other academic responsibilities in addition to teaching. Do not expect an immediate reply from the instructor. The instructor will try to reply student emails within a couple of days either through email or directly in class.

**Prerequisite(s):**

Senate Regulations state, “unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will 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.”

**DEPARTMENT POLICY**

**Grade Distribution:**

The Dan Program has a grade policy which states that for courses in the 1000-2000 range, the class average must fall between 65-70% for all sections of the same course taught by the same instructor in that semester; A’s not to exceed 20 percent of all marks submitted; A’s and B’s not to exceed C’s and D’s and F’s.

**UNIVERSITY POLICY**

**Illness:**

The University recognizes that a student’s ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Illness may be acute (short term), or it may be chronic (long term), or chronic with acute episodes. The University further recognizes that medical situations are deeply personal and respects the need for privacy and confidentiality in these matters. However, in order to ensure fairness and consistency for all students, academic accommodation for work representing 10% or more of the student’s overall grade in the course shall be granted only in those cases where there is documentation indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities.

Documentation shall be submitted, as soon as possible, to the appropriate Dean’s office (the Office of the Dean of the student’s Faculty of registration/home Faculty) together with a request for relief specifying the nature of the accommodation being requested. These documents will be retained in the student’s file, and will be held in

confidence in accordance with the University's Official Student Record Information Privacy Policy [<http://www.uwo.ca/univsec/handbook/general/privacy.pdf>].

Once the petition and supporting documents have been received and assessed, appropriate academic accommodation shall be determined by the Dean's Office in consultation with the student's instructor(s). Academic accommodation may include extension of deadlines, waiver of attendance requirements for classes/labs/tutorials, arranging Special Exams or Incompletes, re-weighting course requirements, or granting late withdrawals without academic penalty.

Academic accommodation shall be granted only where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities. (Note: it will not be sufficient to provide documentation indicating simply that the student was seen for a medical reason or was ill.) A form to be completed by off-campus physicians is available at: <http://counselling.ssc.uwo.ca/forms/medicalNote.pdf>

Whenever possible, students who require academic accommodation should provide notification and documentation **in advance of due dates, examinations**, etc. Students must follow up with their professors and their Academic Counselling office in a timely manner.

In the case of a final examination in the course, the student must arrange for a Special Examination or Incomplete through their Dean's office, for which you will be required to provide acceptable documentation.

If you feel that you have a medical or personal problem that is interfering with your work, you should contact your instructor and the Faculty Academic Counselling Office as soon as possible. Problems may then be documented and possible arrangements to assist you can be discussed at the time of occurrence rather than on a retroactive basis. In general, retroactive requests for grade revisions on medical or compassionate grounds will not be considered.

***Policy on makeup midterm exam:***

Students are eligible to write a makeup exam if he/she misses the midterm examination and provides valid official documentation (subject to approval by Academic Counseling).

***Requests for makeup 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.***

Note that the instructor may not be present during the makeup exam. The instructor reserves the right to change the questions and grading method of the makeup exam.

If a student is scheduled to write a makeup test, the instructor will not provide additional support (e.g. take up end-of-chapter exercises, explain lecture notes and concepts) during the period after the officially scheduled midterm test and before the makeup test, unless under special circumstances discussed with the instructor in advance—that is, the instructor will not provide more support than what the student will receive if he/she writes the officially scheduled midterm test.

***Reassessments / penalties:***

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 graded 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 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 Counselling 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.

#### **Cheating and Academic Misconduct:**

Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses (see section 9.0 below). Looking at the test of another student, allowing another student to view your exam, or obtaining information about a test in advance are all examples of cheating. Students found cheating will receive a zero (0%) on that exam. A number of safeguards will be employed to discourage cheating. For example, examination supervisors (proctors) of the tests may ask students to move to another seat during the exam, cover their paper, avert their eyes from other students' papers, remove baseball caps, etc. This is not meant as a personal affront nor as an accusation of cheating, rather as vigilant attempts at proctoring. A copy of guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 251 University Community Centre, (519) 661-3573.

Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offenses. Students are urged to read the section on Scholastic Offenses in the Academic Calendar. Note that such offenses include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course without the knowledge and approval of the instructor to whom it is submitted, any academic work for which credit has previously been obtained or is being sought in another course in the University or elsewhere. If you are in doubt about whether what you are doing is inappropriate, consult your instructor. A claim that "you didn't know it was wrong" will not be accepted as an excuse.

The penalties for a student guilty of a scholastic offense include refusal of a passing grade in the assignment, refusal of a passing grade in the course, suspension from the University, and expulsion from the University.

#### **Procedures for Appealing Academic Evaluations:**

In the first instance, all appeals of a grade must be made to the course instructor (informal consultation). If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Assistant Program Director or Designate of the BMOS program. If the response of the Assistant Director is considered unsatisfactory to the student, he/she may then appeal to the Dean of the Faculty in which the course of program was taken. Only after receiving a final decision from the Dean, may a student appeal to the Senate Review Board Academic. A Guide to Appeals is available from the Ombudsperson's Office.

### Lecture and Examination 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.

Tentative lecture schedule (subject to change)

Week	Date*	Read: Chapter	Topic
1	Sep 9	1	Introduction to Corporate Finance
		2	Financial Statements (Reading assignment – No lecture)
2	Sep 16	3, 4	Financial Statement Analysis & Long-term Financial Planning
3	Sep 23	5	Time Value of Money
4	Sep 30	6	Discounted Cash Flow Valuation
5	Oct 7	7,8	Bond Valuation; Stock Valuation
6	Oct 14	9	Net Present Value
	Oct 18	Covers 1-9	<b>MIDTERM EXAM</b> <b>[2 Hours: 10am – 12 Noon UCC 56]</b>
7	Oct 21	10, 11	Capital Investment Decision, Project Analysis
8	Oct 28	12, 13	History: Capital Market
	Oct 30, 31	Study Break	
9	Nov 4	14, 15	Risk and Return, Cost of Capital
10	Nov 11	16, 17	Raising Capital, Leverage and Capital Structure
11	Nov 18	18	Dividends, Short-term Financial Planning
12	Nov 25	19, 20	Cash and Liquidity, Credit and Inventory Management
	Exam Period	Covers 10-20	<b>FINAL EXAM TBD December [2 Hours]</b>

\*Dates, order and materials subject to change