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**MOS 2310B Corporate Finance**  
**Course Outline: Section 001, Winter 2015**

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**1. Course Information:**

**Instructor:** Megan Clements

**Office:** SSC4434

**Office Hours:** Wednesdays 5:00 to 6:00 pm

**Phone:** 519-661-2111 ext. 82298

**Email:** mcleme22@uwo.ca

**Class Location and Time:**

**Room** SSC3028

**Time** 9:30 am to 12:30 pm

**Website Address:** <http://owl.uwo.ca/portal>

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 also wish to contact Services for Students with Disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

**2. Course Objective**

- 2.1. This course provides 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. **3 lecture hours, 0.5 course.**
- 2.2. **Antirequisite(s):** Actuarial Science 2555A/B and MOS 3310A/B
- 2.3. **Prerequisite(s):** MOS 1020A/B or both MOS 1021A/B and 1023A/B and enrolment in BMOS or Music Administrative Studies (MAS)
- 2.4. 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." Students interested in pursuing an HBA degree at the Richard Ivey School of Business should not take this course in second year, as Ivey does not recognize this course as part of the HBA degree.

### 3. Textbook

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

### 4. Topics Covered

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

### 5. Evaluation

|                     |  | Percentage of Course Grade |
|---------------------|--|----------------------------|
| Midterm Examination | February 28 <sup>th</sup><br>10:00 am – 12:00 noon | 40%                        |
| Final Examination   | Date set by Registrar<br>TBA                       | 40%                        |
| Assignments/Quizzes | See below for due dates                            | 20%                        |

Students are required to complete all components of this course. Grades are given based on actual performance. In order to be fair to all students, grade adjustments, extra assignments, and the reweighting of course components on an individual basis will not be possible.

#### Exams

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

Exams will be scored using the program Scan Exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating. Exams will not be returned to students but may be reviewed in the instructor's office.

## Assignments

There will be a total of eight (8) quizzes/assignments throughout the semester. All eight quizzes/assignments will count towards your final grade.

| Quiz/Assignment                       | Topic/Chapter(s)       | Start Date * | Due Date * |
|---------------------------------------|------------------------|--------------|------------|
| Assignment #1                         | Shareholder Activism   | Jan 8        | Jan 15     |
| Assignment #2                         | Interest Rates         | Jan 29       | Feb 5      |
| Assignment #3                         | Bond Valuation         | Mar 5        | Mar 12     |
| Assignment #4                         | Stock Valuation        | Mar 19       | Mar 26     |
| No quiz/assignment due during midterm |                        |              |            |
| Quiz #1                               | 1, 2, 3, 4             | Jan 16       | Jan 26     |
| Quiz #2                               | 5, 6, 7, 8, 9          | Feb 6        | Feb 23     |
| Quiz #3                               | 10, 11, 12, 13, 14, 15 | Mar 20       | Mar 30     |
| Quiz #4                               | 16, 17, 18, 19, 20     | Mar 31       | Apr 6      |

\*Quizzes open and close at 9:00 am of dates indicated.

## 6. Lecture and Examination Schedule

| Week | Date*       | Read: Chapter  | Topic   |
|------|-------------|----------------|---|
| 1    | Jan 8       | 1              | Introduction to Corporate Finance   |
|      |             | 2              | Financial Statements (Reading assignment – No lecture)                          |
| 2    | Jan 15      | 3, 4           | Financial Statement Analysis, Long-term Financial Planning                      |
| 3    | Jan 22      | 5              | Time Value of Money   |
| 4    | Jan 29      | 6              | Discounted Cash Flow Valuation  |
| 5    | Feb 5       | 7              | Bond Valuation  |
| 6    | Feb 12      | 8              | Stock Valuation   |
|      | Feb 16 - 20 | Reading Week   |   |
| 7    | Feb 26      | 9              | Net Present Value   |
|      | Feb 28      | Covers 1-9     | <b>MIDTERM EXAM</b><br><b>[2 Hours: 10am – 12 Noon SSC 3006 &amp; SSC 3010]</b> |
| 8    | Mar 5       | 10, 11         | Capital Investment Decisions, Project Analysis                                  |
| 9    | Mar 12      | 12, 13         | History: Capital Market, Risk and Return  |
| 10   | Mar 19      | 14, 15         | Cost of Capital, Raising Capital  |
| 11   | Mar 26      | 16, 17         | Leverage and Capital Structure, Dividends                                       |
| 12   | Apr 2       | 18, 19         | Short-term Financial Planning, Cash and Liquidity                               |
|      | Apr 3 - 5   | Easter Weekend |   |
| 13   | Apr 9       | 20             | Credit and Inventory Management, Review for Final Exam                          |
|      | Exam Period | Covers 10-20   | <b>FINAL EXAM TBD April [2 Hours]</b>   |

\*Dates and order subject to change

## 7. University Policy Regarding Illness

### 7.1. 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 supplied (see below for process) 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/pdf/academic\\_policies/general/privacy.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/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://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.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.

## **7.2. Make Up Examinations**

7.2.1. 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).

## **8. University Policy on Cheating and Academic Misconduct**

- 8.1. 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 or as an accusation of cheating, rather as vigilant attempts at proctoring. A copy of the guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 251 University Community Centre, (519) 661-3573.
- 8.2. 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.
- 8.3. 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.

## **9. Procedures For Appealing Academic Evaluations**

- 9.1. 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.

## 10. Student Responsibilities

### 10.1. E-mail Policies

The Professor will not respond to emails from non-uwo.ca addresses (e.g. hotmail.com, gmail.com, etc.).

The subject line of emails must contain the name or number of the course, and the section number in which the student is enrolled.

#### Acceptable Emails

- Questions about the course content or materials;
- Asking to set up an appointment to ask questions or review an exam;
- Notification of illness or other special circumstances; and
- Providing constructive comments or feedback about the course.

#### Non-Acceptable Emails

- Questions that may be answered on OWL or on this course outline;
- Asking when grades will be posted;
- Asking what grade a student received;
- Asking where or when an exam is scheduled or the material covered on an exam; and
- Requests for grade increases, extra assignments, or reweighting of course components.

### 10.2. Attendance

It is recommended that students attend class regularly. Material covered in lectures will not always be the same as material 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.

## 11. Support Services

### 11.1. Support Services

The Registrar's office can be accessed for Student Support Services at <http://www.registrar.uwo.ca> Student Support Services (*including the services provided by the USC listed here*) can be reached at: <http://westernusc.ca/services/> Student Development Services can be reached at: <http://www.sdc.uwo.ca/>.

11.2. Students who are in emotional/mental distress should refer to Mental Health at Western [http://www.health.uwo.ca/mental\\_health/](http://www.health.uwo.ca/mental_health/) for a complete list of options about how to obtain help.

## **12. Other Information**

### **12.1. Grade Policy**

The DAN Program has a grade policy which states that for courses in the 1000-2000 range, the class average must fall between 65% and 70% for all sections of a course taught by the same instructor. In very exceptional circumstances only, class averages outside this range may be approved by the Assistant Director or Director. Class averages are not grounds for appeal.

### **12.2. Exam Reminders**

- Bring student identification to exams.
- Nothing is to be on/at one's desk during an exam except a pencil, an eraser, and the individual's student card.
- Do not wear baseball caps to exams.
- Do not bring music players, cell phones, beepers, or other electronic devices to exams.

**For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at: [http://www.uwo.ca/univsec/academic\\_policies/index.html](http://www.uwo.ca/univsec/academic_policies/index.html)**