

### **BUS 232 A – Introduction to Corporate Finance**

*3 Credits, 4 hours per week*

The finance function of a business is covered including: the role of a financial manager, the risk-return relationship, capital budgeting analysis, and the impact of debt in a company's capital structure. These ideas are developed through examples from the text and the lecturer. Also, students will have a practical assignment that requires them to observe the trading behaviour of a common stock in a company of their choice. This assignment provides them with an opportunity to observe the role of the capital markets, and strongly relates to the concepts discussed during the course.

#### *Prerequisites and/or co-requisites*

A minimum grade of C- in BUS111 and BUS131

### **Instructor**

Iggy Goremuचेche

S111A

780-791-8937

[farai.goremuचेche@keyano.ca](mailto:farai.goremuचेche@keyano.ca)

### **Office hours**

Monday	1:00 – 1:50 PM
Tuesday	1:00 – 2:00 and 5:00 – 6:00 PM
Wednesday	1:00 – 2:00 PM
Thursday	12:00 – 1:00 PM

### **Required Resources**

**Fundamentals of Corporate Finance**, Ross, Westerfield, Jordan and Roberts, Seventh Canadian Edition, ISBN 978-0-07-096976-6

TI 35 II Plus or TI 35 II Plus Professional Business Calculator

### **Course Outcomes**

Students will be able to:

- 1) Apply an understanding of the concepts of time value of money.
- 2) Determine the value of financial assets, such as bonds and shares, and evaluate their use in financing the firm.
- 3) Explain the relationship between risk and return.
- 4) Apply capital budgeting techniques to evaluate investment opportunities
- 5) Determine the opportunity cost of capital and explain its importance in capital budgeting

**Evaluation**

Assignments	25%
Midterm Exam	35%
Final Exam	<u>40%</u>
Total	<u>100%</u>

A grade of C- is required for progression. The minimum standard for passing this course is a grade of D (50%).

This course is an equivalent for a course required for completion of the CGA program. A grade of C+ or more is required for this purpose.

This course is an equivalent for a course required to qualify for the CMA entrance exam. A grade of D or higher in this course and a GPA of 2.7 in all CMA prerequisites is required for this purpose.

**Performance Requirements**

To receive a passing grade (a grade of D or higher) in this class, a total mark of 50% (on all work) and a weighted average mark of at least 50% on the examinations must be attained. That is, you must satisfy both final class mark and exam mark requirements to receive a passing grade. Failure to meet either of these criteria will result in a maximum grade of F.

**Grading System**

Descriptor	Alpha Grade	4.0 Scale	Percent
Excellent	A+	4.0	> 93.9
	A	4.0	87 - 93.9
	A-	3.7	80 - 86.9
Good	B+	3.3	77 - 79.9
	B	3.0	74 - 76.9
	B-	2.7	70 - 73.9
Satisfactory	C+	2.3	67 - 69.9
	C	2.0	64 - 66.9
	<b>Progression</b>	C-	1.7
Poor	D+	1.3	57 - 59.9
Min Pass	D	1.0	50 - 56.9
Failure	F	0.0	< 50

**CLASS POLICIES**

(Please also refer to pages 32 through 34 of the Credit Calendar.)

**1. Cellular Phones**

Cellular phones are a distraction to both your fellow students and the class instructor. All cellular phones are to be turned off, or at minimum set on silent mode, prior to the beginning of class.

If a student is observed using a cellular phone at any time during class, i.e. sending or reading text messages, or if it rings, they will be asked to leave the classroom for the remainder of the class.

**2. Student Attendance**

Class attendance is useful for two reasons. First, class attendance maximizes a students' learning experience. Second, attending class is a good way to keep informed of matters relating the administration of the course (e.g., the timing of assignments and exams). Ultimately, you are responsible for your own learning and performance in this course.

It is the responsibility of each student to be prepared for all classes. Students who miss classes are responsible for the material covered in those classes and for ensuring that they are prepared for the next class, including the completion of any assignments and / or notes that may be due.

**3. Academic Misconduct**

Students are considered to be responsible adults and should adhere to principles of intellectual integrity. Intellectual dishonesty may take many forms, such as:

- Plagiarism or the submission of another person's work as one's own
- The use of unauthorized aids in assignments or examinations (cheating)
- Collusion or the unauthorized collaboration with others in preparing work
- The deliberate misrepresentation of qualifications
- The willful distortion of results or data
- Substitution in an examination by another person

Penalties for academic offences may range from a verbal reprimand to dismissal from the College, and in certain circumstances may involve legal action.

**4. Accommodation for Students with Disabilities**

The College will provide reasonable accommodation to students with disabilities in order to promote academic success. If you require accommodation, contact the Learner Assistance Program Office at 780-792-5608 to initiate the process for documenting, assessing, and implementing your individual accommodation needs. In addition, tutoring services are available at the SKILL Centre (Room 119)

**Proposed Schedule**

<b>Date</b>		<b>Topic</b>			<b>Required Reading And Assignment</b>	
September	4	Orientation			None	
	5	Course Introduction and Outline				
	7	No Lab				
	12	The Time Value of Money			Chapter 5	
	14	LAB			Questions 2, 4, 6, 8	
	19	Discounted Cashflow Valuation			Chapter 6	
	21	LAB			Questions 6, 8, 10, 12, 14	
	26	Interest Rates and Bond Valuation			Chapter 7	
	28	LAB			Questions 2, 4, 6, 8, 10	
October	3	Stock Valuations			Chapter 8	
	5	LAB			Questions 2, 4, 6, 10, 12	
	10	criteria			Chapter 9	
	12	LAB			Questions 2, 4, 8, 14	
	17	Review for Midterm				
	19	Midterm				
	24	Making Capital Investment Decisions			Chapter 10	
	26	LAB			Questions 4, 6, 8, 10	
	31	Project Analysis and Evaluation			Chapter 11	
November	2	LAB			Questions 2, 4, 6, 8	
	7	Cost of Capital			Chapter 14	
	9	LAB			Questions 2, 4, 6, 8, 10	
	14	Raising Capital			Chapter 15	
	16	LAB			Questions 2, 4, 6, 8, 12	
	21	Dividends and Dividend Policy			Chapter 17	
	23	LAB			Questions 2, 4, 6, 8, 10	
	28	Final Review	Ch 5, 6, 7, 8			
	30	Final Review	Ch 9, 10, 11			
December	5	Final Review	Ch 14, 15, 17			
Subject to change due to unforeseen circumstances						

**Authorization**

This course outline has been reviewed and approved by the Program Chairperson.

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Iggy Goremucheche, Instructor

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Gina Langager, Chair

Date Authorized

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Guy Harmer, Dean

Date Authorized

**Signed copies to be delivered to:**

Instructor  
Registrar's Office