

BUS 232A – 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.

Students will have a practical assignment that requires them to determine the best alternatives for a company's capital investments taking into given account risks and current capital markets. 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

Dwayne Hart
Office Room: CC251 (Executive offices)
Phone: 780-791-4860
dwayne.hart@keyano.ca

Office hours

Monday: 5:00pm – 6:00pm
Thursday 3:00pm – 4:00pm

Hours of Instruction

Monday 3:00 – 4:50 p.m Room 228
Thursday 1:00 – 2:50 p.m. Room 228

Required Resources

Fundamentals of Corporate Finance, 8th CA Edition; W. Ross, R. Jordan

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

Course Outcomes

Students will be able to:

- Critique the goals of financial management and assess the role of financial markets.
- Execute and examine techniques for working capital management.
- Execute and examine techniques for valuations of capital assets.
- Examine and appraise capital structure.
- Execute and examine techniques for risk management.
- Apply capital budgeting techniques to evaluate investment opportunities.
- Determine the opportunity cost of capital and explain its importance in capital budgeting.

Evaluation

Homework Assignments	20% (2% each)
Practical assignment	10%
Midterm Exam	30%
Final Exam	<u>40%</u>
Total	<u>100%</u>

Homework assignments will be graded as follows: 1% for attempting all homework questions. An attempt is defined as work that would lead to an answer being given for each question. The answer would be at least 60% of what was required to achieve an answer. If there are five homework questions and only 3 are attempted, then the student would earn .6% of a mark. 1% will also be given for a question that the instructor will pick to mark for accuracy. If the student has not attempted the question, a mark of 0% will be given. The instructor will only pick one random question out of the homework assignment and mark the same question for the entire class. Partial marks will be given if the concept of solving is correct.

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
	Progression	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 25 through 38 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 to 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 and to hand in homework assignments at the start of class. 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

Date		Topic	Required Reading	Homework Assignment (Due at beginning of class)
September	4	Orientation	None	
	4	Course Introduction and Outline/Time Value of Money	Chapter 5	
	8	The Time Value of Money	Chapter 5	
	11	The Time Value of Money/Discounted Cashflow Eval	Chapter 5 & 6	Ch 5: Questions 2, 4, 6, 8
	15	Discounted Cashflow Valuation	Chapter 6	
	18	Discounted Cashflow Valuation/ Interest Rates & Bonds	Chapter 6 & 7	Ch 6: Questions 6, 8, 10, 12, 14
	22	Interest Rates and Bond Valuation	Chapter 7	
	25	Interest Rates and Bond Valuation/Stock Evaluations	Chapter 7 & 8	Ch 7: Questions 2, 4, 6, 8, 10
	29	Stock Valuations	Chapter 8	
October	2	Stock Valuations	Chapter 8 & 9	Ch 8: Questions 2, 4, 6, 10, 12
	6	Net Present Value and other investment criteria	Chapter 9	
	9	Review for Midterm		Ch 9: Questions 2, 4, 8, 14 (marked homework will be available for pickup next day in office)
	16	Midterm		
	20	Making Capital Investment Decisions	Chapter 10	
	23	Making Capital Investment Decisions	Chapter 10	
	27	Project Analysis and Evaluation	Chapter 11	Ch 10: Questions 4, 6, 8, 10
30	Project Analysis and Evaluation	Chapter 11		
November	3	Cost of Capital	Chapter 14	Ch 11: Questions 2, 4, 6, 8
	6	Cost of Capital	Chapter 14	
	10	Practical Assignment Due		Practical Assignment
	10	Raising Capital	Chapter 15	Ch 14: Questions 2, 4, 6, 8, 10
	13	Raising Capital	Chapter 15	
	17	Dividends and Dividend Policy	Chapter 17	Ch 15: Questions 2, 4, 6, 8, 12
	20	Dividends and Dividend Policy	Chapter 17	Ch 17: Questions 2, 4, 6, 8, 10
	24	Final Review with Instructor	Ch 5, 6, 7, 8, 9	
27	Final Review with Instructor	Ch 10, 11, 14, 15, 17		
December	1	Additional Review (will be completed by other Instructor)		
	4	Additional Review (will be completed by other Instructor)		
**Subject to change due to unforeseen circumstances				

Authorization

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

Dwayne Hart, Instructor

Gina Langager, Chair

Date Authorized

Guy Harmer, Dean

Date Authorized

Signed copies to be delivered to:
Instructor
Registrar's Office