

**The University of Western Ontario  
Management and Organizational Studies**

**MOS 3310A section 5: Finance**

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Fall 2009  
Office Hours: Tuesday 10:30–12:30pm

Text:

Brealey, R., Myers, C., Marcus, A.J., Maynes, E.M., and Mitra D. 2009. *Fundamentals of Corporate Finance (Fourth Canadian Edition)*. Toronto: McGraw-Hill Ryerson.

Evaluation:

Midterm Examination	40% (October 24, 2008; 2-4pm; SSC 2032)
Final Examination	40% (TBA)
Project/Assignment	20% (Lyryx 14% and short quizzes 6%)

Topics (See lecture schedule):

- I. Introduction (Chapters 1–3)
- II. Valuation (Chapters 4–6)
- III. Project analysis (Chapters 7–9)
- IV. Risk and Return (Chapters 10–12)
- V. Financing (Chapters 13–14)
- VI. Capital Structure and Dividend Policy (Chapters 15–16)
- VII. Financial Planning (Chapters 17–19)
- VIII. Short-term Financial Decisions (Chapters 20–21)
- IX. Special Topics (if time permits)

*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. Requests for any reassessments should be submitted to the instructor with a detailed written explanation.

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.

## **Project/Assignment Grading Scheme**

The project/assignment component comprises 20% towards the final course grade, of which 14% will be achieved through completion of 7 lyryx labs online successfully. The remaining 6% will be from 6 short in-class assignments.

### **(a) Lyryx labs (14%)**

There will be seven lyryx labs in total. Students are expected to purchase a license package together with the course textbook. The license package will provide students with login information at [www.lyryx.com](http://www.lyryx.com).

Each lab will be worth 2% towards the final course grade. Students will be awarded one of the following three grades in each lab, depending on students' performance in the labs:

- 2/2 if the student scores at least 80% in a lab;
- Pro-rated if the student scores less than 80%.

In the latter case, for example, if a student receives a 60% in the lab, the student will be given  $0.6 \times 2 = 1.2$  out of 2 percentage points.

The rationale for the grading scheme is that it provides incentives for students to attempt the labs the best they can, while acknowledging some technical glitches with the computer software. The 80% cutoff is to recognize students' effort in working on the lab, while acknowledging the fact that some students might miss the points only because of rounding errors in their solutions.

The labs will be opened for a week; each student can attempt each lab once. No extension will be provided.

### **(b) In-class assignments (6%)**

In-class assignments will be randomly distributed over the course. They are intended to be pop-up assignments that consist of one or two short questions. Students will be awarded either 1 or 0 for each assignment. Grading will be based on students' effort rather than purely on accuracy.

**Lecture schedule (subject to change)**

<b>Date</b>	<b>Chapter</b>	<b>Topic</b>
<b>INTRODUCTION</b>		
Sept. 14	Chapter 1	Overview of Corporate Finance
Sept. 16	Chapter 2	Financial Markets and Institutions
Sept. 21	Chapter 4	Time Value of Money
Sept. 23	Chapter 4	Time Value of Money
<b>VALUE</b>		
Sept. 28	Chapter 5	Valuing Bonds
Sept. 30	Chapter 6	Valuing Stocks
Oct. 5	Chapter 7	Net Present Value
Oct. 7	Chapter 8	Discounted Cash Flow Analysis
Oct. 14	Chapter 8	Discounted Cash Flow Analysis
Oct. 19	Chapter 9	Project Analysis
Oct. 21		Midterm Test Review
<b>OCTOBER 24 MIDTERM TEST</b>		
<b>RISK</b>		
Oct. 26	Chapter 10	Risk and Return
Oct. 28	Chapter 10	Risk and Return
Nov. 2	Chapter 11	Capital Budgeting
Nov. 4	Chapter 12	Weighted Average Cost of Capital
<b>FINANCING</b>		
Nov. 9	Chapter 13/14	Source of Financing
Nov. 11	Chapter 15/16	Debt and Payout Policy
<b>FINANCIAL PLANNING</b>		
Nov. 16	Chapter 17	Financial Statement Analysis
Nov. 18		Class Cancelled
Nov. 23	Chapter 17	Financial Planning
Nov. 25	Chapter 18	Short-term Financial Planning
Nov. 30	Chapter 19	Cash and Inventory Management
Dec. 2	Chapter 20	Credit Management and Collection
Dec. 7	Selected Topics	
<b>CORPORATE FINANCING</b>		
Dec. 9		Final Exam Review

## **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 Social Science 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. Submit your documentation to the Social Science 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 Social Science 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 Social Science Academic Counselling Office and your instructor with supporting 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 Social Science Academic Counselling Office for approval without delay.

## **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 Social Science 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 Social Science 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 consulted Student Health Services regarding your illness or personal problem, you should complete a Records Release Form at the time of your visit allowing them to notify Social Science Academic Counselling Office. 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 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 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.