

Fall 2023 Course Syllabus

MOS 3311A Section – 004&005 Advanced Corporate Finance (In-Person)

1. Course Information:

1.1 Class Location and Time:

Section 004: See Time and Location on OWL Classroom site

Section 005: See Time and Location on OWL Classroom site

1.2 Course Description:

This course introduces students to advanced analysis of financial planning and management. General topics include risk and return, capital structure, payout policies, cost of capital and capital budgeting. The course attempts to introduce and discuss a broad range of financial decisions made in modern corporations. Assigned readings and applied project will be used to enhance learning and application of the most important concepts the field of corporate finance.

Antirequisite(s): MOS 4310A/B

Prerequisite(s): MOS 2310A/B or MOS 3310A/B and enrolment in BMOS

1.3 Accessibility:

DAN Department of Management & 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.

Contact Academic Support & Engagement at <http://academicsupport.uwo.ca/> for information about Western's Accessible Education.

More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

1.4 Land Acknowledgement:

We acknowledge that Western University is located on the traditional lands of the Anishinaabek, Haudenosaunee, Lūnaapéewak and Attawandaron peoples, on lands connected with the London Township and Sombra Treaties of 1796 and the Dish with One Spoon Covenant Wampum.

With this, we respect the longstanding relationships that Indigenous Nations have to this land, as they are the original caretakers. We acknowledge historical and ongoing injustices that Indigenous Peoples (e.g. First Nations, Métis and Inuit) endure in Canada, and we accept responsibility as a public institution to contribute toward revealing and correcting miseducation as well as renewing respectful relationships with Indigenous communities through our teaching, research and community service.

<https://indigenous.uwo.ca/initiatives/docs/indigenous-land-acknowledgment.pdf>

1.5 Senate Regulations

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.”

This regulation is in regard to the PREREQUISITE COURSES required.

Students not in BMOS are permitted to enroll in up to 1.0 MOS courses, per the Academic Timetable. The requirement that states you must be in BMOS is lifted during registration on the priority lift dates as noted in the [Timetable](#).

2. Course Materials

S.A. Ross, R.W. Westerfield, J.F. Jaffe, G.S. Roberts and H. Driss, 2022. Corporate Finance, Ninth Canadian Edition, McGraw-Hill Ryerson, ISBN: 9781260881370

3. Course Objectives and Format

The DAN Department of Management and Organizational Studies as a whole draws upon an evidence-based management approach. Evidence-based management is the systematic process of gathering evidence from multiple sources, critically appraising the evidence, and using that evidence in making and evaluating management decisions to improve organizational performance.

3.1 Course objectives

This course covers advanced topics in capital budgeting, capital structure and corporate payout policies.

3.2 Course format

Lectures, class discussions, and group project.

4. Learning Outcomes

Upon successful completion of this course, students will be able to

- Explain financial markets and functions of corporate entities
- Calculate and Interpret time value of money
- Estimate bond prices and identify factors that affect bond prices
- Estimate the value of a common stock and evaluate if the stock is under or over priced
- Calculate different components of cost of capital and the overall cost of capital of a corporation
- Calculate efficient portfolio using stock data
- Understand and evaluate capital budgeting decision rules and explain how real options affect these decisions
- Classify and distinguish various types of risk and their relation to portfolio choice
- Describe and calculate a firm's capital structure and interpret how leverage and firm value are related using Miller-Modigliani propositions
- Explain how a firm's dividend policy is set and how it affects firm value

5. Evaluation

Group project/Professionalism(participation)	30%	[Due: Nov 30, 2023 at 23:59]
[Project:	20%]	
[Professionalism/Participation:	10%]	
Midterm Exam	30%	[Saturday, October 21, 2023 @ 1:00 pm]
Final Exam	40%	[During the final exam period; to be set by the Registrar's Office]

*Note that class attendance is required in order for students to be considered for a passing grade.

Exams are closed books, short answers, and numerical/calculated questions format. Dictionaries are NOT allowed in the exams.

MIDTERM EXAM:

The midterm test consists of both quantitative (to calculate) and qualitative (to state, explain, and/or describe) questions. The test will be scheduled for 2 (two) hours on Saturday October 21, 2023 at 1:00pm. The format and other specifics will be announced in class before the scheduled test date.

There is NO MAKEUP EXAM for the midterm exam. If a student misses regularly scheduled midterm with adequate documentation (which must be supplied by the Academic Counseling office, see section 13), the weight of midterm will be redistributed to the final exam.

GROUP PROJECT:

Students are expected to form groups of at least 4 (four) and no more than 6 (six) students and choose a TSX-listed public company for conducting a detailed financial analysis. The analysis should follow the topics covered in the course; students should put in their best effort to answer the questions specified in the detailed project instructions posted on the course website.

The final written report is **due on Nov 30, 2023 (at 23:59)** uploaded to dropbox on OWL. Late submissions will be deducted 10 (ten)% out of the total component grade of 30% (i.e., 3.0 percentage points) per day date, including weekends. The report should be written in a professional matter, properly edited and formatted. The report itself is worth 20 (twenty)% towards the final course grade.

PROFESSIONALISM / PARTICIPATION:

The project includes a “professional / participation” component. Students are expected to behave professionally in and outside of the classroom, especially when interacting with peers and the instructor, face-to-face, via emails, and/or by any media. All students are, by default, awarded with a grade of 5.0 (five) out of 10 (ten) at the beginning of the school term. To earn a grade higher than 5.0 (five), students need to be an active member in class, contributing to class discussions and activities, perhaps sharing company info from the project with the class. Meanwhile, any conducts and behaviors that are considered as unprofessional will lead to a 1.0 (one) point deduction from the component grade until ALL 5 (five) initial points are wiped out. The class, together with the instructor, will define the terms of reference of what constitute professional conducts and behaviors in the first lecture.

PEER EVALUATION:

Each student is required to submit a peer evaluation of his/her group members when submitting ANY group work of the course (i.e., the term project). The evaluation will not be graded per se, but the instructor reserves the right to use the peer evaluation as a reference for adjusting students' grades, if necessary. All students in the same group will, by default, receive the same grade for the group as a whole, unless otherwise adjusted based on peer evaluations.

FINAL EXAMINATION:

The final exam is cumulative and consists of quantitative (to calculate) and/or qualitative (to state, explain, and/or describe, etc.) questions. The exam will be scheduled for 3 (three) hours during the exam period by the Registrar. Details of the exam format and specifics will be announced in class in due course.

CALCULATORS:

Only non-programmable calculators will be allowed into the exams. If you are unsure, please ask your professor.

Electronic devices of any other kind (including cell phones, smart watches and programmable calculators) are NOT permitted at exams. Any electronic devices must be put away in the backpack during the midterm test and the final exam. Possession of any electronic devices, even if they are turned off, is considered as cheating and will result in a component grade of 0 (zero).

STUDENT EXPECTATIONS:

Class attendance is required. Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text. Students are expected to have read the relevant material before class. Any missed material will not be retaught or made up for in the lecture, during office hours, or via email.

Exams will not be returned to students but may be reviewed by contacting your instructor.

If a student wishes to dispute a grade and/or request that an assignment/exam be remarked, they must wait for at least two days after receiving the grade before requesting that the grade be changed and/or the assignment/exam be remarked. Students must also provide a written document that outlines: a) the part of the assignment/exam the student wishes to have remarked; and b) a detailed discussion why the grade should be changed and/or the assignment/exam be remarked. This discussion should include course material that supports the student's reason why the grade should be changed and/or the assignment/exam be remarked. Requests to have grades changed and/or an assignment/exam remarked must be made within two weeks of receiving the grade. The instructor reserves the right to regrade the entire test/exam in addition to the question(s) in dispute. The instructor also reserves the right to adjust the grade upward or downward as a result of regrading.

Students are **REQUIRED TO COMPLETE ALL COMPONENTS** of this course. There are no exceptions to this. Extra assignments to improve grades **will NOT** be allowed.

Grades will not be adjusted on the basis of need. It is important to monitor your performance in the course. Remember: You are responsible for your grades in this course.

Plagiarism is a major scholastic offense. All assignments 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. Use of the service is subject to the licensing agreement, currently between the University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

The DAN Department has a grade policy which states that for courses in the 3000 range, the class average must fall between 70% and 77% 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 Undergraduate Chair or Chair. Class averages are not grounds for appeal.

6. Lecture and Examination Schedule

See Schedule on OWL

7. Student Responsibilities

Students should familiarize themselves with Western University Senate Regulations, please see: http://www.uwo.ca/univsec/academic_policies/index.html.

Material covered in lectures will not always be the same as material covered in the textbook. These two sources should be viewed as complimentary and not redundant. As such, students who want to do well in this course are **strongly encouraged** to attend lectures on a regular basis. Please note that the instructor will not be providing copies of lectures notes or overheads. Therefore, if you miss a lecture, you should try to obtain this material from another student.

7.1 Respect

Please act respectfully towards the classroom, the instructor and your fellow students. Acting respectfully means arriving on time, turning off phones, avoiding private discussions during lectures, refraining from viewing non-course material on your laptops, and cleaning up after yourself. Acting respectfully provides a better learning experience for everyone.

Private in-class discussions are distracting to students and the instructor. If other students are distracting your attention from the material, you should ask them to be quiet. If you feel uncomfortable doing this (or the problem persists), please see your instructor.

Late arrivals are also distracting. Please try to arrive on time for classes.

7.2 No Recording of Classes

Students are not permitted to record any portion of a class, audio or video, without the prior written permission of the instructor.

7.3 Copyright Notice

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. You may take notes and make copies of course materials for your own educational use. You may **not** record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without the written consent of your instructor.

8. Exam Policies

- 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 or wear smart watches, music players, cell phones, beepers, or other electronic devices to exams

9. E-mail Policies

The following policies apply to all emails between students and the instructor. Please respect the fact that your Instructor receives hundreds of emails from students and must deal with those emails in a fair and organized manner. Unacceptable emails will receive a reply saying only "Please see Email Policies on the course outline".

9.1 UWO.CA Email Addresses Only

For privacy reasons, students must use their Western email accounts to contact their Instructor. The Instructor will not respond to emails from non-uwo.ca addresses (e.g. hotmail.com, gmail.com, etc.).

9.2 Subject Line Must Include Course and Section Number

The subject line of emails must contain the name or number of the course, and the section number in which the student is enrolled. The Instructor teaches different courses and sections and cannot properly respond to questions if they do not know which course or section you are enrolled in.

9.3 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
- providing constructive comments or feedback about the course

9.4 Unacceptable 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
- requests for grade increases, extra assignments, or reweighting of course components

10. Attendance

It is expected that students will attend all classes. Materials covered in lectures will not always be the same as textbook material and should be viewed as complementary to the textbook materials. The instructor does not provide access to lecture notes. Students are encouraged to obtain missed lecture notes from a fellow student.

10.1 Short Absences.

If you miss a class due to minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or exam. Cover any readings and arrange to borrow the missed lectures notes from a classmate.

10.2 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. The Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed about your difficulties.

11. Grade Fairness

Fairness requires that all students be treated equally and be evaluated using the criteria set out in this course outline. The evaluation criteria are based on actual achievement and not on how hard a student has tried.

Claims by students of an excellent academic history, good attendance record, need to obtain or maintain a scholarship, desire to be admitted to Uvey or graduate school, or other personal issues, cannot be used to justify a higher grade in the course or a reweighting of course components. There is no extra work or assignments available for extra credit or to “make up” for a course component that was missed or performed poorly.

You, the student, are responsible for the grades earned.

12. Posting of Grades

Midterm exam grades will be posted on OWL once the grades are available. Final exam grades and final course grades are not posted on OWL and are available once they have been posted by the Registrar under “Academic Summary” at the Student Centre website.

13. University Policy Regarding Illness, Absence and Accommodation

13.1 Illness

Students will need to provide a Student Medical Certificate if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty Academic Counselling office to obtain more information about the relevant documentation.

For privacy reasons, students should also note that individual instructors should not receive documentation directly from a student, whether in support of an application for consideration on medical grounds, or for other reasons. All documentation required for absences must be submitted to the Academic Counselling office of a student's Home Faculty.

For details on the Policy on Accommodation for Medical Illness, go to:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/academic_consideration.pdf

Students can download the Student Medical Certificate (SMC) here:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf

13.2 Accessible Education

Students with disabilities work with Accessible Education (formerly SSD) which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Accommodation_disabilities.pdf

Students needing access to Accessible Education should register here:

http://academicsupport.uwo.ca/accessible_education/index.html

13.3 Religious Accommodation

Students should consult the University's list of recognized religious holidays, and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the Western Multicultural Calendar.

13.4 Make Up Examinations

A student must write a make-up exam if any scheduled exam is missed for reasons for which adequate documentation is received by the instructor (this documentation must be supplied by the Academic Counseling office).

The date and time of the make-up final examination will be set by the instructor, who will communicate the date to the student.

If a student is unable to meet the scheduled make-up, then the student is responsible for obtaining new accommodations from Academic Counselling, and seeking a new make-up date with the instructor within a reasonable time frame.

14. University Policy on Cheating and Academic Misconduct

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

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 use of AI and translation tools in written work beyond a dictionary is not permitted unless permission is granted by the instructor for specific circumstances. Any work submitted must be the work of the student in its entirety unless otherwise disclosed. When used, any such AI or translation tool should be used ethically and responsibly, and students must cite or credit the tools used in line with the expectation to use AI as a tool to learn, not only to produce content.

A copy of guidelines about how to avoid cheating can be obtained from the Office of the Ombudsperson, Room 3135 WSSB, (519) 661-3573, ombuds@uwo.ca.

Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses. 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.

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.

15. Procedures For Appealing Academic Evaluations

1. In the first instance, all appeals of a grade must be made to the course instructor (informal consultation).
2. If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Undergraduate Chair of the Department of Management and Organizational Studies.
3. If the response of the Undergraduate Chair is considered unsatisfactory to the student, they may then appeal to the Dean of the Faculty in which the course of program was taken.
4. 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 Office of the Ombudsperson.

16. Support Services

16.1 Support Services

The Registrar's office provides you with information on services, courses, student finances, resources, latest news, as well as Student Central's hours of operation 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/>

Academic Support & Engagement can be reached at: <http://academicsupport.uwo.ca>

Students who are in emotional/mental distress should refer to Health and Wellness: <https://www.uwo.ca/health/> for a complete list of options about how to obtain help.

16.2 Academic Concerns.

If you are in academic difficulty, it is strongly recommended that you see your academic counsellor.