



AMBROSE
UNIVERSITY COLLEGE

BUS 220 FINANCE Winter 2009
Instructor: Don Liteplo

Contacting the Instructor

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Course Term

Dates: January 6th to April 15th, 2009

Class Times: Wed & Fri 2:30 to 3:45 pm

Class Location: Room A2141

Course Description

This is an introductory course that is intended to provide insight and skills for business graduates who will need to know how money is managed in small and large organizations. It emphasizes the role of the Canadian financial manager as decision-maker, and it stresses the need for managerial input and judgement.

Basic information, principles, and techniques of analysis are presented under eight study headings:

- Overview of Financial Management
- Understanding Financial Statements and Cash Flow
- Valuation of Future Cash Flows
- Valuing Stocks and Bonds
- Capital Budgeting
- Risk and Return
- Long-Term Financing
- Short-Term Financial Management

Course Objectives

Upon completion of the course, it is expected that students will have acquired a good understanding of significant fundamental concepts and basic analytical techniques of financial management. In particular, the course is intended to provide the student with a workable understanding of how to evaluate financial decisions. More than ever, in free-market economies, management employees of all types are expected to recognize how their jobs impact profitability and what sorts of activities are most likely to create value for the organization.

Required Textbook (must be possessed by each student)

Ross, Stephen A. et al, *Essentials of Corporate Finance*, Canadian Edition 2008, McGraw-Hill Ryerson Limited.

Other Materials

Each student is required to possess a hand-held electronic calculator *with financial and statistical functions*. A significant portion of the course centers on fairly sophisticated compounding and discounting calculations that are impossible without the use of such a calculator.

While a particular calculator (make and model) cannot be specified, it is recommended that any such calculator purchased should have financial and statistical capabilities similar to the TI BA II Plus or the HP-10B. The text includes instructions on the use of a generic-type calculator, but provides special tips related to the above two models. Note that the course instructor will endeavour to assist students with calculator applications, and can provide considerable assistance with the two above-named calculators but, because of the wide variety of calculators in use, each student is ultimately responsible for knowing how to use the calculator that he/she brings to the course. Students who do not already possess such a calculator may wish to obtain information from the instructor during the first week of classes before deciding on the make and model to acquire.

Additionally, a portion of the course may involve computer use. Students can access various resources at <http://www.mcgrawhill.ca/olc/ross>. This is a student on-line learning center prepared by Eric Wang, Athabasca University. The site offers Web-based study aids created for this text, including: multiple-choice quizzes, Excel templates, web links, etc. The text includes instruction on and problems using computer spreadsheets in financial analysis. Computers are available in Ambrose University College labs for any spreadsheet or other computer work that may be assigned.

Course Schedule

A Detailed Course Schedule will be handed out in the first week of the semester. This schedule will set out the topics, dates, and times for the lectures, and will also show the dates and times for assignments, quizzes, and the mid-term examination. The dates and times are subject to change at the instructor's discretion as the course progresses; changes, if any, will be few and will be communicated in advance.

Broad Course Schedule

TOPIC	TEXT REFERENCE
Overview of Financial Management	Chapter 1
Cash Flow vs. Earnings	Chapter 2
Ratio Analysis	Chapter 3
Time Value of Money	Chapters 4 and 5
Bond Valuation	Chapter 6
Stock Valuation	Chapter 7
Mid-Term Examination	
Practice of, and Application of Criteria in, Capital Budgeting	Chapter 8
Projected Cash Flows in Capital Budgeting	Chapter 9

Risk and Return	Chapters 10 and 11
Cost of Capital Estimation	Chapter 12
Financial Leverage	Chapter 13
Dividends and Dividend Policy	Chapter 14
Underwriting	Chapter 15
Short-Term Financial Management	Chapters 16 and 17
Final Examination	

A distributed readings list will indicate portions of some of the above chapters which will be omitted from coverage and examination. The readings list will also indicate the combination of other portions, so that the end effect is classroom coverage of about 14 chapters' worth of material. Some information that is not included in the text may be covered in the lectures (particularly in the area of compound and discount calculations) and this material may be included in assignments, quizzes, and examinations. The student is cautioned, therefore, to attend classes faithfully and to ensure that all handout materials have been received. Note also that the instructor may not deal directly in classroom sessions with all of the text material that is assigned reading, but any text material that is assigned reading may be included in assignments, quizzes, and examinations.

Chapter Review and Self-Test problems are included at the end of each chapter of the text. Suggested answers follow immediately. Also at the end of each chapter are a number of other Questions and Problems – with answers to some of these “at the end of the book”. These Questions and Problems are identified as either basic, intermediate, or challenging. Since this course is “introductory”, any questions addressed by the student for practice should be limited to those that are either basic or intermediate. As the course progresses, some of these Questions and Problems will be identified by the instructor as particularly valuable for students to self-test their understanding of the course material and to prepare adequately for quizzes and examinations.

Additionally, the instructor will distribute other practice problems from time-to-time through the semester. Unless otherwise directed, the latter are not to be handed in, and they will not be graded. An answer key will be posted on S:drive (pdf files). These additional practice problems are meant to aid the student in preparing for quizzes and examinations. Students are urged to try these without looking at the answer key; then, using the answer key, students should determine where any errors in understanding and procedure were made.

Course Requirements and Grading

Student performance will be evaluated in a combination of classroom participation and graded assignments, quizzes, mid-term examination, and final examination. Mark allocation is as follows:

Participation	10%
Four Assignments	20% (5% each)
Two Quizzes	20% (10% each)
Mid-Term Exam	20%
Final Exam	<u>30%</u>
	100%

Students need not receive a passing grade on all components of term work and examinations in order to pass the course. However, failure to submit an assignment or write a quiz/examination, without the prior approval of the instructor, may result in an F grade for the course.

Marks for classroom participation are based on the instructor's impression (cumulative through the semester) of the student's efforts to review and comprehend assigned text readings, the student's classroom attitude, quality of responses to questions asked by the instructor, and quantity/quality of contributions to classroom discussion. Absences from class can negatively impact marks for *participation*.

Students are required to read the relevant chapters in the textbook (as set out in the readings list) in order to be prepared for the classroom lectures, discussion, and problem-solving.

Assignments/Quizzes

The quizzes will be written in-class. The assignments will be take-home exercises. Deadlines for completion and submission of the latter will be clearly indicated in advance.

Take-home assignments submitted after the due date will be penalized by 50%, but if submitted after answer keys have been posted, or after any graded materials have been returned to any students, a grade of 0% will be awarded.

All assignment and quiz papers must include the student's name and student ID number.

Note that in order for a student to be eligible to write the final examination, he/she must submit all take-home papers by the last day of lectures and must have written all quizzes on the scheduled dates. The mark for a quiz which is *missed with a legitimate reason* (typically illness, evidenced by a Doctor's note) will normally be spread across (transferred to) the other quiz and assignments.

Mid-Term Examination

The mid-term examination will be 1 1/4 hours (75 minutes) in length. It will be written during regular class time *per the Detailed Course Schedule* and can cover all materials included in the course up to the date of the exam.

A grade of 0% will be awarded for a mid-term examination missed *without a legitimate reason*. If the mid-term examination is missed *with a legitimate reason*, a make-up mid-term examination will be arranged within one week. If the instructor determines that this arrangement is not practical, the final grade will be reallocated as follows:

Participation	10%
Four Assignments	28% (7% each)
Two Quizzes	24% (12% each)
Final Exam	<u>38%</u>
	100%

Final Examination

The final examination will be comprehensive (i.e., can cover any materials included in the course during the semester, but emphasis will be on the material covered in the last half of the course). The final examination will have a maximum writing time of three hours (180 minutes).

The exact time and date for writing will be posted by the Registrar. The final examination will be written during the final examination period – April 16th to 22nd, 2009 – following the last day of classes. It is the student’s responsibility to ensure that he/she does not have any conflicting commitments during the final examination period. Graded final examinations will be available for supervised review at the request of the student.

Students need not receive a passing grade on all components of term work and examinations in order to pass the course.

Available Letters for Course Grades

<u>% Grade</u>	<u>Letter Grade</u>	<u>Description</u>
95% to 100%	A+	Excellent
90% to 94%	A	
85% to 89%	A-	Good
80% to 84%	B+	
76% to 79%	B	
72% to 75%	B-	Satisfactory
68% to 71%	C+	
64% to 67%	C	
60% to 63%	C-	
55% to 59%	D+	Minimal Pass
50% to 54%	D	
0% to 49%	F	Failure

Important Notes

A student’s final course grade is not based upon the student’s attendance record; however, the general expectation is that students will attend all classes in which they are registered. A combination of low academic performance and notable absences from class may be brought to the attention of program administrators.

January 16th is the last day to enter a course without permission and to withdraw from a course and receive tuition refund.

March 13th is the last day to voluntarily withdraw from a course or change to audit without academic penalty.

Course withdrawal forms are available from the Registrar. Students who do not follow the proper withdrawal procedures will be recorded as having failed the course.

It is the responsibility of all students to become familiar with and adhere to the academic policies contained in the Student Handbook and Academic Calendar.

Students are reminded that examinations will be actively invigilated. Students may only bring to an examination room items stipulated by the instructor to be required for the completion of the examination. All non-essential items (including, but not limited to, hats, coats, gloves, knapsacks, purses, and electronic devices other than approved calculators) must be left in an area of the examination room designated by the instructor. All cell phones and other unauthorized electrical devices **MUST** be turned off during examinations. Failure to comply may result in a failing grade for the examination.