



AMBROSE
UNIVERSITY COLLEGE

BUS 220 FINANCE Winter 2012

Instructor: Don Liteplo

Course Description

This course is an introduction to the main principles of financial management. It is designed to teach basic concepts, techniques, and practices that students need to understand as part of their program in business. These include the fundamentals of budgeting and financial planning, capital investment decisions, sources and forms of financing, determining the cost of capital and the firm's capital structure, managing working capital, and measuring & managing for shareholder value.

Course Term

Semester: January 11th to April 23rd, 2012

Times: Tues & Thurs 4:00 to 5:15 pm

Location: Room A2131

Contacting the Instructor

Office: Room L2052 (Office hours posted on office door – other times are available by appointment.)

Office Telephone: 403-410-2000 (Ext. 6907)

Office e-mail: dliteplo@ambrose.edu

As the course progresses, students of this course may be given a different (preferred) telephone number and/or e-mail address for *outside of class* contact with the instructor. It is the student's responsibility to ensure that he/she has up-to-date contact information.

Additional Information

As noted, this is an introductory course that assumes no prior knowledge of finance, but the student is required to have completed a course of instruction in basic principles of accounting (ACC 220, or equivalent) prior to commencing this course. Students are also required to be competent in the use of personal computers (including basic familiarity with Excel) and must have good working knowledge of basic mathematics (fractions, percentages, decimals, and simple algebraic equations).

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 understand how money is managed in small and large organizations and 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)

Atrill and Hurley, Financial Management for Decision Makers (Second Canadian Edition), Pearson Canada.

Other Materials

Each student is required to possess a hand-held electronic calculator *with financial functions*. A significant portion of the course centers on fairly sophisticated compounding and discounting calculations that are extremely difficult 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. The text authors rely heavily on the use of financial tables and Excel spreadsheeting to demonstrate and handle techniques and problems in financial management. However, financial tables are very limiting, and setting up spreadsheets is often unnecessarily time-consuming. The use of a financial calculator such as the TI BA II Plus allows for greater accuracy and considerable savings of time. Note that the course instructor will be assisting students with calculator applications, and will provide considerable assistance with the above-named calculator 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.

Completion of this course may involve computer use. Computers are available in the Ambrose University College Commons Area for any spreadsheet or other computer work that may be assigned.

The text contains:

- *activities and self-assessment questions* throughout each chapter
(Suggested answers/solutions are provided in the chapter or in the text's Appendix B.)
- *review questions* at the end of each chapter
(Suggested answers/solutions are provided on the Companion Website.)
- *problems and cases* at the end of each chapter
(Suggested answers/solutions for the even-numbered problems and cases are provided on the Companion Website.)

The Companion Website is <http://www.pearsoned.ca/atrill>.

The instructor will provide some handout readings and examples in hardcopy (or as pdf files which can be accessed via Moodle) as the course progresses.

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. The following is a broad course schedule:

| TOPIC | TEXT REFERENCE |
|--|----------------|
| Introduction | Chapter 1 |
| Review and Overview of Accounting Concepts | Chapter 2 |

| | |
|---|------------------|
| Financial Planning and Pro Forma Statements | Chapter 3 |
| Analyzing and Interpreting Financial Statements | Chapter 4 |
| The Time Value of Money | Chapter 5 |
| Mid-Term Examination | |
| Making Capital Investment Decisions | Chapters 6 and 7 |
| Financing a Business | Chapters 8 and 9 |
| Cost of Capital and Capital Structure | Chapter 10 |
| Dividend Policy | Chapter 11 |
| Managing Working Capital | Chapter 12 |
| Measuring and Managing for Shareholder Value | Chapter 13 |
| Final Examination | |

A distributed readings list will indicate portions of some of the above chapters which will be omitted from coverage and examination. The instructor will indicate the combination of other portions, so that the end (net) effect is classroom coverage of about 10 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.

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% |
| Three Assignments | 18% (6% each) |
| Three Quizzes | 24% (8% each) |
| Mid-Term Exam | 18% |
| 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 typically be written in-class. The assignments will typically be take-home exercises. Deadlines for completion and submission of the assignments 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, written clearly.

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 quizzes.

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% |
| Three Assignments | 24% (8% each) |
| Three Quizzes | 30% (10% each) |
| Final Exam | <u>36%</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 23rd, 2012 – 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.

Available Letters for Course Grades

| <u>% Grade</u> | | <u>Letter Grade</u> | <u>4-Point Scale</u> |
|----------------|-----------|---------------------|----------------------|
| 95% to 100% | | A+ | 4.0 |
| 90% to 94% | Excellent | A | 4.0 |
| 85% to 89% | | A- | 3.7 |
| 80% to 84% | | B+ | 3.3 |
| 76% to 79% | Good | B | 3.0 |

| | | | |
|------------|--------------|----|-----|
| 72% to 75% | | B- | 2.7 |
| 68% to 71% | | C+ | 2.3 |
| 64% to 67% | Satisfactory | C | 2.0 |
| 60% to 63% | | C- | 1.7 |
| 55% to 59% | | D+ | 1.3 |
| 50% to 54% | Minimal Pass | D | 1.0 |
| 0% to 49% | Failure | F | 0.0 |

Important Notes

All in-class quizzes and exams are closed book (no textbook, computerized personal organizers, class notes, course handout materials, assignment/quiz/exam papers, etc. are permitted) unless advised otherwise by the instructor.

Allowed aids in all in-class quizzes include:

- a hand-held, non-programmable, financial calculator
- financial tables (provided by the instructor, as needed)
- one sheet of notes (8.5 by 11-inch paper, both sides) containing formulae and notes **generated by the student**. Photocopied pages not permitted.

Allowed aids in the mid-term and final exams include:

- a hand-held, non-programmable, financial calculator
- financial tables (provided by the instructor, as needed)
- two sheets of notes (8.5 by 11-inch paper, both sides) containing formulae and notes **generated by the student**. Photocopied pages not permitted.

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. Also, as noted above, absences from class can negatively impact marks for *participation*.

Students are reminded that quizzes and examinations will be actively invigilated. Students may only bring to a test room items stipulated by the instructor to be required or allowed 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.

The last day to:

- enter a course without permission
- withdraw from a course
- change to audit

and receive tuition refund, is January 22nd (Winter, 2012 semester).

The last day to:

- withdraw from a course or change to audit

without academic penalty is March 23rd (Winter, 2012 semester).

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.

Please note that final grades will be available on your student portal. Printed grade sheets are no longer mailed out.

It is the responsibility of all students to become familiar with and adhere to academic policies as stated in the Student Handbook and Academic Calendar. Personal information, that is information about an individual that may be used to identify that individual, may be collected as a requirement as part of taking this class. Any information collected will only be used and disclosed for the purpose for which the collection was intended. For further information contact the Privacy Compliance Officer at privacy@ambrose.edu.

Although extensions to coursework in the semester are at the discretion of the instructor, students may not turn in coursework for evaluation after the last day of the scheduled final examination period unless they have received permission for a "Course Extension" from the Registrar's Office. Requests for course extensions or alternative examination time must be submitted to the Registrar's Office by the appropriate deadline (as listed in the Academic Calendar <http://www.ambrose.edu/publications/academiccalendar>). Course extensions are only granted for serious issues that arise "due to circumstances beyond the student's control."

We are committed to fostering personal integrity and will not overlook breaches of integrity such as plagiarism and cheating. Academic dishonesty is taken seriously at Ambrose University College as it undermines our academic standards and affects the integrity of each member of our learning community. Any attempt to obtain credit for academic work through fraudulent, deceptive, or dishonest means is academic dishonesty. Plagiarism involves presenting someone else's ideas, words, or work as one's own. Plagiarism is fraud and theft, but plagiarism can also occur by accident when a student fails or forgets to give credit to another person's ideas or words. Plagiarism and cheating can result in a failing grade for an assignment, for the course, or immediate dismissal from Ambrose University College. Students are expected to be familiar with the policy statements in the current academic calendar and the student handbook that deal with plagiarism, cheating, and the penalties and procedures for dealing with these matters. All cases of academic dishonesty are reported to the Academic Dean and become part of the student's permanent record.

Course changes, including adding or dropping a course, may be made during the Registration Revision period, as outlined in the Calendar of Events. All course changes must be recorded on a Registration form, available from the Office of the Registrar. Due to circumstances such as class size, prerequisites or academic policy, the submission of a Registration form does not guarantee that a course will be added or removed from a student's registration. Students may change the designation of any class from credit to audit up to the date specified in the Calendar of Events, although students are not entitled to a tuition adjustment or refund after the Registration Revision period.

Withdrawal from courses after the Registration Revision period will not be eligible for tuition refund. Students intending to withdraw from some or all of their courses must submit a completed Registration form to the Registrar's office. The dates by which students may voluntarily withdraw from a course without penalty are listed in the Calendar of Events. A grade of 'W' will be recorded on the student's transcript for any withdrawals from courses made after the end of the Registration Revision period and before the Withdrawal Deadline (also listed in the Calendar of Events). 'W' grades are not included in grade point average calculations. A limit on the number of courses from which a student is permitted to withdraw may be imposed. Students wishing to withdraw from a course, but who fail to do so by the applicable date, will receive the grade earned in accordance with the course syllabus. A student obliged to withdraw from a course after the Withdrawal Deadline because of health or other reasons may apply to the Registrar for special consideration.

An appeal for change of grade on any course work must be made to the course instructor within one week of receiving notification of the grade. An appeal for change of final grade must be submitted to the Office of the Registrar in writing within 30 days of receiving notification of the final grade, providing the basis for appeal. A review fee of \$50.00 must accompany the appeal to review final grades. If the appeal is sustained, the fee will be refunded. Note that the review could justify an increase, no change, or a decrease in the final grade.

Students are advised to retain this syllabus for their records.