



**BUS 220 Finance (3)  
Winter 2007**

**Class Schedule:**

Term: January 10<sup>th</sup> to April 18<sup>th</sup>, 2007  
Tuesdays: 2:30 pm to 3:45 pm  
Thursdays: 2:30 pm to 3:45 pm  
Classroom: Room 519

**Instructor:**

Don Liteplo  
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**Course Description:**

This course is intended to provide insight and skills for business graduates who will need to know how money is managed in small and large businesses.

The material is broadly divided into two areas: (1) investments and financial markets and (2) the financial management of companies. Basic information, principles, and techniques of analysis are presented under five study headings:

- Introduction to Financial Management
- Operating Issues – Working Capital Management
- Capital Markets and Securities
- Business Investment Decisions – Capital Budgeting
- Financing Issues

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.

**Required Textbook:**

Lasher, William R., Peggy L. Hedges, Terry Fegarty, *Practical Financial Management*, First Canadian Edition, 2006, Nelson (a Division of Thomson Canada Limited).

## Other Materials:

A portion of the course may involve computer use. Students can access various resources at <http://www.lasher.nelson.com>. These include spreadsheet software (Microsoft Excel Templates). The text includes instruction on and problems using computer spreadsheets in financial analysis. Computers are available in AUC-NUC labs for any spreadsheet or other computer work that may be assigned.

Additionally, while a hand-held electronic calculator *with financial and statistical functions* is not required for this course, students will find that using such a tool considerably reduces time spent in calculations. This is especially helpful when handling assignments and writing quizzes and examinations. The alternative is to spend much time in laborious calculations using tables of financial factors. While a particular calculator (make and model) cannot be specified, it is recommended that any such calculator purchased should have financial and statistical capabilities equivalent to the TI BA II Plus or the HP 10B. The text includes instructions on using these two particular calculators. Note that the course instructor will endeavour to assist students in 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.

## Policy on Class Attendance:

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.

## Course Requirements:

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

Participation	10%
Three Assignments	15% (5% each)
Two Quizzes	20% (10% each)
Midterm Examination	20%
Final Examination	<u>35%</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 response to questions asked by the instructor, and quantity/quality of contributions to classroom discussion.

### **Assignments/Quizzes:**

The assignments will be take-home exercises. One of the quizzes may be a take-home exercise. Deadlines for completion and submission of these will be clearly indicated in advance.

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

All assignments, quizzes, and examinations 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 in-class assignments/quizzes on the scheduled dates. The mark for an in-class assignment or 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 assignments/quizzes. This will be discussed at the start of classes.

### **The Midterm Examination:**

The midterm examination will be 1 1/4 hours (75 minutes) in length. It will be written during regular class time *per the detailed Course Schedule*. The exam is "closed-book", but a formula sheet will be provided.

A grade of 0% will be awarded for a midterm examination missed *without a legitimate reason*. If the midterm examination is missed *with a legitimate reason*, a make-up midterm 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	15% (5% each)
Two Quizzes	30% (15% each)
Final Examination	<u>45%</u>
	100%

## The 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 be three (3) hours in length. The exam is “closed-book”, but a formula sheet will be provided.

The exact date and time for writing will be set by the Registrar. The final examination will be written during the final examination period – April 20<sup>th</sup> to 25<sup>th</sup>, 2007 – 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.

The graded final examination will be available for supervised review at the request of the student. Please contact the Academic Dean.

## Other Requirements:

A detailed Course Schedule is attached to these pages. This schedule sets out the topics, dates, and times for the lectures, and also shows the dates and times for assignments, quizzes, and the midterm 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.

Students are **required** to read the relevant chapters in the textbook in order to be prepared for the classroom lectures, discussion, and problem-solving.

*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.*

## Grading:

The available letters for course grades are as follows:

<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-	
68% to 71%	C+	Satisfactory
64% to 67%	C	
60% to 63%	C-	
55% to 59%	D+	Minimal Pass
50% to 54%	D	
0% to 49%	F	Failure

## **Other Notes:**

The last day to withdraw from a course or change to audit without financial penalty is January 19<sup>th</sup>, 2007.

The last day to withdraw from a course or change to audit without academic penalty is March 9<sup>th</sup>, 2007.

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.

Students are reminded that examinations will be actively invigilated. Students may only bring to an examination items stipulated by the instructor to be required for the completion of the exam. 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 exam 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 on the examination.**

*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@auc-nuc.ca](mailto:privacy@auc-nuc.ca).*

*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 classes unless they have received permission for a "Course Extension." Alternative times for final examinations cannot be scheduled without prior approval. Requests for course extensions or alternative examination time must be submitted to the Registrar's Office by the appropriate deadline. 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. Plagiarism and cheating can result in a failing grade for an assignment, for the course, or immediate dismissal from the university college. Students are expected to be familiar with the policies 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.*

*Students are advised to retain this syllabus for their records.*

## Course Schedule:

Some adjustment to this schedule may be made by the instructor as the semester progresses. Students will be informed, in advance, of any change in dates for topics, assignments, quizzes, and examinations.

Please Note: Some information that is not included in the text may be covered in the lectures and may be included in assignments, quizzes, and examinations. 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.

<u>WEEK</u>	<u>TOPIC</u>	<u>TEXT REFERENCE</u>
1	<b>Introduction to Financial Management</b>	
Jan 11	Foundations	Chapter 1
2	Financial Background	Chapter 2
Jan 16		ASSIGN #1
Jan 18	Financial Information and Analysis	Chapter 3
3	Financial Information and Analysis (continued)	
Jan 23	<b>Operating Issues – Working Capital Management</b>	
Jan 25	The Management of Working Capital	Chapter 4
4	Sources of Short-Term Financing	Chapter 5
Jan 30		
Feb 1	Financial Planning	Chapter 6
5	Financial Planning (continued)	
Feb 6	<b>Capital Markets and Securities</b>	
Feb 8	The Financial System and Interest	Chapter 7
6	Time Value of Money	Chapter 8
Feb 13		
Feb 15	Time Value of Money (continued)	QUIZ #1 (either take-home or in-class)
7	MID-SEMESTER BREAK (no classes)	
8	The Valuation and Characteristics of Bonds	Chapter 9
Feb 27		
Mar 1	MID-TERM EXAMINATION	
9	COMMUNITY DAY (no class)	
Mar 6		
Mar 8	The Valuation and Characteristics of Shares	Chapter 10

10		<b>Business Investment Decisions – Capital Budgeting</b>		
	Mar 13	Risk and Return	Chapter 11	ASSIGN #2
	Mar 15	Capital Budgeting	Chapter 12	
11	Mar 20	Cash Flow Estimation	Chapter 13	
	Mar 22	Cash Flow Estimation (continued)		
12	Mar 27	Risk Topics and Real Options in Capital Budgeting	Chapter 14	
	Mar 29	Risk Topics and Real Options in Capital Budgeting (continued)	QUIZ #1 (either take-home or in-class)	
13		<b>Financing Issues</b>		
	Apr 3	Cost of Capital	Chapter 15	ASSIGN #3
	Apr 5	Cost of Capital (continued)		
14	Apr 10	Capital Structure and Leverage	Chapter 16	
	Apr 12	Capital Structure and Leverage (continued)		
15	Apr 17	Dividend Policy	Chapter 17	

Practice problems (with solutions) are included at the end of each chapter. Some will be identified by the instructor as particularly valuable for students to self-test their understanding of the course material.

ADDITIONALLY, the instructor will distribute other practice problems fairly regularly throughout the course. 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, use the answer key to determine where “if at all” errors in understanding and procedure were made.

**Final Examination Period: April 20<sup>th</sup> to 25<sup>th</sup>, 2007.**