

**MANAGEMENT AND ORGANIZATIONAL STUDIES
ADVANCED CORPORATE FINANCE MOS 4310B 550
Course Outline
Fall/Winter 2018 – January 2019**

CONTACT INFORMATION

Instructor:	Bill Dawson	Faculty of Arts and Social Science
Office:	V126 Huron	Admin Asst: Kathy Mazur-Spitzig
	SSC 4430 Main	Phone: 519-438-7224 #231
Phone:	519-438-7224 #313 Huron	Office: A116
	519-661-2111 #82293 Main (SSC 4430)	Email: ksmazur@huron.uwo.ca
Fax:	519-438-3938	
Office Hours:	Thurs 10:30-11:30 / 1:00-2:00 Huron	MOS Coordinator: Jan Klakurka
	Friday 10:00-12:00 Main	Office: A2c
	Email: bdawson@uwo.ca	Phone: 519-438-7274 #263
Web:	OWL2	Email: ijklakurk@huron.uwo.ca

Timetable: Tuesday 2:30-4:30 A1 / Thursday 2:30-3:30 A1

EMAIL TO INSTRUCTOR: Please use the email subject line to clearly identify the topic of your email.

Management and 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. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about "Accessibility at Western" is available at: <http://accessibility.uwo.ca>

Calendar Description

This course introduces students to an in-depth analysis of financial planning and management with emphasis on capital structure and dividend payout policies, cost of capital and capital budgeting, and working capital management. The course serves as a framework for understanding a broad range of corporate finance decisions, other topics include leasing and mergers and acquisitions and firm valuation.

Antirequisite(s): MOS 3311A/B, Business Administration 3307K, 4407Q/R/S/T

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

Extra Information: 3 lecture hours, 0.5 course.

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.”

Textbook

S.A. Ross, R.W. Westerfield, J.F. Jaffe and F.S. Roberts, 2015. Corporate Finance, Seventh Canadian Edition, McGraw-Hill Ryerson, ISBN: 978-0-07-133957-5.

Additional course materials will be posted on OWL.

Course Objectives, Learning Outcomes and Format

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

- Explain financial markets and functions of corporate
- 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

Course Format:

Lectures, case studies, class discussions and presentations.

Evaluation:

	Date	Percentage of Course Grade
1	Midterm – Monday, February 11 6:00-9:00 Location TBA	30%
2	Final Exam Period April 11-30	40%
3	Group Project Due April 5. 2019	15%
4	Group Presentation with Short Report In Class, details to follow	10%
5	Class contribution	5%

Exams: (midterm and final)

Exams are short answers and calculations in format. Midterm exam will be 3 hours, final exam will be 3 hours and are closed book examinations. Dictionaries are NOT allowed into the examinations. Only non-programable calculators will be allowed into the exams. If you are unsure please ask your professor to check your calculator.

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

Electronic devices of any kind (including pagers, cell phones, smart watches) are NOT permitted in examinations.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text. Mid-term exam is scheduled outside of class time. The final exam will be scheduled during the exam period. Exams will not be returned to students but may be reviewed in the instructor's office.

Exams will be scored using the program Scan Exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Group Project:

This is a group assignment - each group must have 2-3 students. You are expected to submit one report (one hard copy and one electronic copy to dropbox, before the deadline April 5, 2019. All group members will receive the same grade. The details of the project will be posted on the course website.

Presentation and report:

This is a group assignment each group must have 2 members, and each member must contribute to both the presentation and report. Choose one research article from the reading list provided on the course website. Write a report and prepare a 5 to 7 minutes presentation in class. The report should be no longer than one page and need to include key research questions and main findings. You need to submit a hard copy of the report to me before your presentation. Each group should also upload only one electronic copy of your presentation slides (in pptx.format) to dropbox folder through OWL on or before the day your presentation. Other students and I may ask question(s) after your presentation. The list of papers and associated details will be posted on the course website. February 15 is the deadline to form presentation groups and chose paper for presentation, first come first choice; one paper can be chosen by one group only. After February 15 if you have legitimate reasons to reschedule/postpone your presentation, you should send me an email at least one week before your scheduled presentation with written proof of the reason for reschedule, otherwise, 1 mark penalty will apply.

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.

Support Services

The Registrar's office can be accessed for Student Support Services 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/> Student Development Services can be reached at: <http://www.sdc.uwo.ca/>

Students who are in emotional/mental distress should refer to Mental Health@Western

<http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.”

For The University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at: <http://www.uwo.ca/univsec/handbook/>

Important Dates: (2018)

January 7:	Classes resume
January 16:	Last day to add a second term half course
February 18:	Family Day. All offices closed
February 19–22:	Reading Week (No classes; All offices open Feb 19 – 22)
March 7:	Last day to drop a second term half course without penalty
April 9:	Classes end
April 10:	Study days
April 11 – 30:	Examination Period
April 30:	Second term ends. Last day to apply for Spring Graduation.

Other Information

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

It is expected that students will attend all classes and arrive on time and ready to work. I will be evaluating on a daily basis both the quantity and quality of your efforts. The main objective of your contribution is not evaluation but learning or helping your colleagues (and instructor) to learn. The following list might be of some help.

PARTICIPATION:

10% of your course grade will be based on your weekly contributions to class discussions. It is expected that students will attend all classes and will arrive on time and ready to work. Much of our class time will be conversational. I will direct conversations about new material, the problems we are covering, and review of previously presented material. Participation will be evaluated weekly for both quantity and quality. Quality is more important than quantity. Participation marks are not “easy” marks. They are awarded for making class better by contributing to discussions.

The following scale is used to grade participation. Please note: attendance does not equal participation.

- 0 - (0%) - did not attend, and it is not an excused absence.
- 0 - (0%) - attended, but spent the class period working on other things. Did not participate in class activities.
- 1 - (25%) - attended, participated in class activities, but did not ask or answer any questions.
- 2 - (50%) - attended, participated in class activities, answered questions being discussed.
- 3 - (75%) - attended, participated in all class activities, answered questions throughout the class session. Preparation for class is apparent.
- 4 - (100%) - attended, participated in all class activities, answered questions that required interpretation or evaluation of accounting concepts. Preparation for class is apparent. Went beyond just answering homework questions. Explained difficult concepts. Added considerable value.

Weekly Timetable: MOS 4310B 550 (Huron) January 2019

**MOS 4310B: TENTATIVE ASSIGNMENT SCHEDULE –
CHANGES MAY BE MADE
FALL/WINTER 2018 JANUARY 2019**

	TOPIC 1	CORPORATE GOVERNANCE
Week	Date	Details
1	Jan 7-11	Chapter 1: Introduction Chapter 14: Capital Structure and Efficient Capital Markets Chapter 17: 17-2, 17-3, 17-6
	TOPIC 2	OTHER RELATED TOPICS
2	Jan 14-18	Chapter 24: Stock Options and Executive Compensation Chapter 26: Value Bonds and Stocks
3	Jan 21-25	Chapter 15: Long Term Financing Chapter 20: Issuing Equity Securities to the Public Chapter 21: Long Term Debt
	TOPIC 3	RISK AND RETURN
4	Jan 28-Feb 1	Chapter 10: Risk and Return Chapter 11: Apply Capital Asset Pricing Model
5	Feb 4-8	Chapter 12: Arbitrage Pricing Theory Chapter 13: Capital Budgeting – Weighted Average Cost of Capital
	MON FEB 11	MID TERM EXAMINATION 6:00-9:00 Location: TBA
	TOPIC 4	CAPITAL BUDGETING
6	Feb 11-15	Chapter 8: NPV and capital budgeting Chapter 9: Risk analysis, Real Options and Capital Budgeting
7	Feb 18-22	Family Day and Reading Week NO CLASSES
8	Feb 25–Mar 1	Chapter 22: Leasing
	TOPIC 5	CAPITAL STRUCTURE
9	Mar 4-8	Chapter 16: Capital Structure: Basic Concepts Chapter 17: Capital Structure: Limits to the Use of Debt
10	Mar 11-15	Chapter 19: Dividends and Other Payouts
	TOPIC 6	VALUATION
11	Mar 18-22	Chapter 18: Valuation & Capital Budgeting for a Levered Firm
12	Mar 25-29	Chapter 30: Mergers and Acquisitions
13	Apr 1-5	Presentations
	Apr 10	Study Day
	Apr 11-30	FINAL EXAM PERIOD

Appendix to Course Outlines

Prerequisite and Antirequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites and that they have not completed any course antirequisites. Unless you have either the requisites for this course or written special permission from your Dean to enrol in it without them, you may be removed from this course and it will be deleted from your record. If you enrol in this course despite having already taken an antirequisite you may be removed from this course and it will be deleted from your record. Removals for these reasons 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 or for having already taken the antirequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Conduct* at:

<https://huronuc.on.ca/sites/default/files/pdfs/Code%20of%20Student%20Conduct.pdf>

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Academic Accommodation for Medical/Non-Medical Grounds

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

- (a) **Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising**

University Senate policy, which can be found at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf,

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

**(b) Accommodation on Medical Grounds for assignments worth less than 10% of final grade:
Consult Instructor Directly**

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may not collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

(c) Non-medical Grounds: Consult Instructor Directly

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Late penalties may apply at the discretion of the instructor. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student’s request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been notified that significant circumstances are affecting or have affected the student’s ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Statement on Academic Offences

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

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Dean's Office, and this record of the offence will be retained in the Dean's Office for the duration of the student's academic career at Huron University College.

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 for such checking 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.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on Special Needs

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <https://huronuc.on.ca/about/accessibility> (“Cancellations and Closures”).

Mental Health @ Western

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Academic Advising

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron’s Student Support Services (huronsss@uwo.ca). An outline of the range of services offered is found on the Huron website at: <https://huronuc.ca/student-life-campus/student-services/academic-advising>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at:
<https://huronuc.ca/student-life-campus/art-social-science>