

COURSE SYLLABUS

UNIVERSITY OF REGINA
PAUL J. HILL SCHOOL OF BUSINESS - FACULTY OF BUSINESS ADMINISTRATION
BUS 290-040
FINANCE: THEORY AND APPLICATION

May 3 – June 19, 2023 (spring) Classroom: ED 623; Hrs: 1:00 pm –3:45 pm (TR)

INSTRUCTOR: Dr. Arturo Rubalcava
OFFICE: ED 565.5
PHONE: (306) 337-2388
OFFICE HOURS: Wednesdays, 4:15 pm – 5:30 pm.

Note: If these scheduled times are not convenient for you, I will certainly attempt to accommodate you at other times, providing you make an appointment in advance.

PREREQUISITE: BUS 100, STAT 100, and BUS 285. Concurrent enrolment is allowed in BUS 285.
TEXTBOOK: Ross, S., R. Westerfield, J. Jaffe, G. Roberts, and H. Driss. Corporate Finance (9th Canadian Edition, McGraw-Hill Ryerson, 2022).

Additional Material: References to relevant course websites, articles, class notes, and assignments will be posted on *UR Courses*.

CALENDAR DESCRIPTION

An introduction to the fundamental valuation techniques used in finance. Topics include: Financial markets, accounting statements and cash flows, time value of money, discounted cash flow analysis (Net present value), asset and security valuation, capital budgeting, and risk/return analysis,

TEACHING METHODS

Because of the size of the class, course material will be presented in primarily a lecture format. The lectures will concentrate on developing the key concepts and providing real-world applications. However, class participation is strongly encouraged. Feel free to ask questions and/or raise discussion points during the lectures.

Always study the relevant text chapters before you come to class. A short quiz (approx. 4-5 minutes) will be given at the beginning of each class, starting on Tuesday, May 9th. These quizzes correspond to concepts and main ideas of the previous class and material to be covered. Reading in advance will help answer questions during class, should I direct one your way.

No make-up quizzes will be given for any reason.

The topics to be covered are sequentially interrelated. It is very important you make the effort to grasp the basic concepts from the beginning chapters of your course outline since these concepts are needed to understand subsequent topics as the semester advances.

Students are also strongly encouraged to keep current on financial and business news. The *Globe and Mail* and the *National Post* are two excellent sources for such information, and students should get in the habit of reading at least one of these newspapers daily.

EVALUATION

- | | |
|--|------------|
| • 2 Midterm Exams
(30% weighting for your highest score, and 20% for your lowest score) | 50 % |
| • 1 Final Exam | 40 % |
| • Quizzes: Approximately 10. Five questions each quiz: Multiple choice and/or true and false type of questions. No make-up quizzes. I will consider only the best 8 scores. | <u>10%</u> |
| • Total | 100% |

Midterm Exams:

The midterm exams will be written on:

- Thursday, May 25, 2023, at 1 pm (1¼ hrs.)

- Thursday, June 15, 2023, at 1 pm (1¼ hrs.)

The first midterm will relate to course material covered up to that point.

The second midterm will relate to course material covered between the first and second midterms.

The approximate midterm exam format consists of three parts.

- Part I: True/False questions (20%),
- Part II: Multiple choice questions (30%) and
- Part III: open questions, qualitative and/or quantitative (50%):
Note: In Part III, for quantitative problems you must show procedure to get marks. If you only provide the final answer, even if it is correct, no points will be granted.

Check on *UR Courses* the folders, which contain samples of previous midterm exams and assignment questions. Formulas to answer the exams will be provided if needed.

Two assignments will be scheduled during the spring term. They are mostly quantitative problems and will help understand better the different topics examined in class. You will need to do the assignments using MS Word and/or Excel to get full credit (hand-written assignments will not be given credit). Additional information about software for students is posted here:
<https://www.uregina.ca/is/common/ur/software/index.html>.

The assignments are not mandatory. However, you can earn extra-credits with the assignments and will count two percent each, which will be added to the final course grade.

Final Exam:

The final exam will be written on:

- Saturday, June 24, 2023 (2 pm - 5 pm; Classroom: ED-193)

The final exam is **comprehensive** in nature, meaning that it covers material from the **entire** course. The exam format is similar to the first and second midterm tests.

The approximate final exam format consists also of **three** parts.

- Part I: 20 True/False questions (1 mark each question for a total of 20 marks) and
- Part II: 20 Multiple-choice questions (2 marks each question for a total of 40 marks).
- Part III: 5 to 8 problems (60 marks).

[See APPENDIX A for an example of a hypothetical student evaluation, case I].

- **NOTE:** All exams are closed book examinations and you're not allowed to look at your notes or other material. Also they have to be done individually. Do not try to communicate with others during the exam. (Specifically, getting the answers from someone else or allowing others to get yours.)
- For all exams, bring a calculator. Sharing your calculator with your classmates during exams is not allowed. The calculator should have at least the following functions: \ln , exponential e^X , X^Y , and $1/X$ in case you need them. You will need a **financial calculator (recommended TX BA II plus)**.

STUDENT RESPONSIBILITIES

1. Every effort should be made by you to ensure you write the *midterm exams during their scheduled times*. If a situation arises that makes it impossible for you to do this, you must let me know in advance (preferably as far in advance as possible).

In the case of illness, **you must provide me with a physician's certificate** clearly stating that the illness prevented you from being able to write the exam.

If you must miss a midterm due to illness or other extenuating circumstance, **no make-up exam** will be given. Instead, the **20% weight of the midterm** will be transferred to the final exam (i.e., 60%).

However, this weight transfer will not happen automatically. I will only transfer the weight if you provide me with a written request to do so (i.e. if you do not write a midterm, and do not provide me with a written request to transfer the weight of the midterm to the final, you will automatically receive a grade of zero on the midterm). This written request must explain the reason why you are unable to write the midterm, and must state that you wish to transfer the weight of the midterm to your final. [See APPENDIX A case II]

I will submit your written request and/or medical attestation to the Records Management of the Faculty of Business Administration at the end of the semester.

2. Every effort should be made to ensure you are available to write the Final Exam during its scheduled time. If you are absolutely unable to write the Final during its scheduled time, you must see the general office in the faculty in which you are enrolled and formally request a deferred exam. **Deferred exams** will only be granted in cases of exceptional circumstances (i.e., serious illness of the student, compassionate family reasons, etc.).
Deferred exams will **not** be granted for any factors that are within the control of the student - i.e. travel plans, work conflicts, timetabling conflicts with exams in other courses, etc. Please adjust your schedule accordingly.
3. Regular class attendance is expected. If you must miss a class, it is your responsibility to get notes, assignments, etc., from a classmate.
4. Familiarize yourself with the University's general **Academic Regulations** as explained in the 2023-2024 Undergraduate Calendar, particularly those that pertain to **Academic Misconduct** (pages 49 and 50).
(See <https://www.uregina.ca/student/registrar/resources-for-students/academic-calendars-and-schedule/undergraduate-calendar/index.html>)

The Faculty of Business Administration has included in the Undergraduate Calendar a statement in page 157:

Students enrolled in business courses at the University of Regina are expected to adhere rigorously to principles of intellectual integrity.

Plagiarism or other forms of cheating on examinations or assignments is a serious offence that may result in a zero grade on the examination/assignment, a zero or XF in the course, or expulsion or suspension from the University. For more information on this matter, please consult the Student Code of Conduct and Right to Appeal section of this Calendar (page 49).

5. If there is any student in this course, who, because of a **disability**, may have a need for accommodations, please come and discuss this with me, as well as contacting the Centre for Student Accessibility at 306-585-4491. (See <http://www.uregina.ca/student/accessibility/>).
6. Communicating with me regarding any course-related matters (questions concerning the material, coverage of exams, etc.) must be done either:
 - by person (i.e. during my scheduled office hours, or by making an appointment),
 - by email through *UR Courses*, or
 - by telephone.
7. If you want to talk to me outside of class-time, please *plan-ahead*. Either make use of my scheduled office hours, or make an appointment to see me. Last- minute (ex. just before an exam) requests by students to talk to me cannot always be met, so planning-ahead is important.

Faculty of Business Administration Participant Pool:

Students can earn **up to 2 marks** for participating in research projects. These marks will be added to your final grade **as long as** you have passed the final exam AND passed the class. **Research marks will NOT be considered if a student has not passed the final exam or class on his or her own work.**

The Participant Pool provides students with the opportunity to participate in research studies to earn bonus credits that they can allocate toward **eligible** business classes (to a maximum of 2% per class).

For more information about our participant pool and to sign up for the studies, please visit [the faculty website](https://www.uregina.ca/business/) at <https://www.uregina.ca/business/> and then find Pool of Research Participants under Quick Links. From there go to Sona Systems.

SCHEDULE OF TOPICS

	Chapter
PART 1 - OVERVIEW	
May 4 - Introduction to Corporate Finance	1
May 4-16 - Accounting Statements and Cash Flow	2
PART 2 – VALUE AND CAPITAL BUDGETING	
May 16-18 - Time Value of Money	5
May 18 - Long-Term Financing: An Introduction	15
May 23-25 - How to Value Stocks and Bonds	6
➡➡ May 25 (Th) – 1st MIDTERM EXAM	
May 25-30 - Net Present Value and Other Investment Rules	7
June 1-June 6 - Net Present Value and Capital Budgeting	8
PART III - RISK	
June 8 - Risk and Return: Lesson from Market History	10
➡➡ June 15 (Th) - 2nd MIDTERM EXAM	
June 8-15 - Risk, Return: The Capital Asset Pricing Model	11
➡➡ June 24 (Saturday) - FINAL EXAM: Comprehensive. It includes all material covered during the term.	

Note: The above schedule is *approximate* only. I reserve the right to change the above schedule. I'll notify you in advance if any change needs to be made.

APPENDIX A

EVALUATION (Hypothetical example)

I) Presented all exams				II) Missed one exam		
	Score	x Weight	= Weighted Score (%)	Score x Weight		= Weighted Score (%)
1 st Midterm Exam	100	0.3	30	-	-	-
2 nd Midterm Exam	50	0.2	10	50	0.3	15
Final Exam	70	0.4	28	70	0.6	42
Quizzes	80	0.1	8	80	0.1	8
Total			76			65
Assignments (bonus)			1.8			0
Final score (w/Assignments)			77.8 = 78			65

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APPENDIX B

For all course related content, check UR Courses regularly.

It will include material related to lecture notes (PPT slides), samples of midterm exams, assignments, quizzes, links to readings and/or videos and others.