

Fall, 2022

BUS 232A, Corporate Finance
3 credits, 4 hours

The finance function of a business is covered including: the role of a financial manager, the risk-return relationship, capital budgeting analysis, and the impact of debt in a company's capital structure. These ideas are developed through examples from the text and the lecturer. Also, students will have a practical assignment that requires them to observe the trading behaviour of a common stock in a company of their choice. This assignment provides them with an opportunity to observe the role of the capital markets and strongly relates to the concepts discussed during the course.

Prerequisites: BUS 131

Instructor

Coert Erasmus, PhD
S111A
780.791.8919
Coert.erasmus@keyano.ca

Office Hours

Tuesday 11:00 AM – 2:00 PM
Thursday 1:00 PM – 3:00 PM

Hours of Instruction

Monday 11:00 AM – 12:50 PM
Thursday 11:00 AM – 12:50 PM

Required Resources

Block S.B., Hirt, G.A., Danielsen, B.R., & Short, J.D. (2021). *Foundations of Financial Management* (12th Canadian Edition). McGraw-Hill. ISBN 978-1-26-032691-8
Ivey Cases – Case Information available on Moodle

Other supplies

- Access to notebook/PC
- Access to McGraw-Hill Connect
- Non-programmable calculator financial calculator, Texas BA II Plus
- Access to a web camera

Course Outcomes

Upon successful completion of the course, the student should be able to:

- Examine and appraise capital structure.
- Execute and examine techniques for risk management.
- Execute and examine techniques for valuations of capital assets.
- Execute and examine techniques for working capital management.
- Apply capital budgeting techniques to evaluate investment opportunities.
- Critique the goals of financial management and assess the role of financial markets.
- Determine the opportunity cost of capital and explain its importance in capital budgeting.

Evaluation

Homework	15%
Assignments/Cases	25%
Midterm Exams	<u>40%</u>
Final Exam	<u>20%</u>
Total	100%

*The minimum standard for passing this course is a grade of D (50%).
See the credit calendar for more information.*

Grading System

Descriptor	Alpha Grade	4.0 Scale	Percent
Excellent	A+	4.0	> 93.9
	A	4.0	87 – 93.9
	A-	3.7	80 – 86.9
Good	B+	3.3	77 – 79.9
	B	3.0	74 – 76.9
	B-	2.7	70 – 73.9
Satisfactory	C+	2.3	67 – 69.9
	C	2.0	64 – 66.9
	C-	1.7	60 – 63.9
Poor	D+	1.3	57 – 59.9
Minimum Pass	D	1.0	50 – 56.9
Failure	F	0.0	< 50

Proposed Schedule

See the class schedule, topics, and readings as attached.

BUS 232 – CORPORATE FINANCE		
Tentative Schedule		
Date	Monday	Thursday
Week 1 Sep 1	Summer Holidays	Class 1: Chapter 1
Week 2 Sep 8	No Class – Labour Day	Class 2: Chapter 5
Week 3 Sep 12 & Sep 15	Class 3: Chapter 6	Class 4: Chapter 6
Week 4 Sep 19 & Sep 22	Class 5: Chapter 7	Class 6: Chapter 7 & Case Introduction
Week 5 Sep 26 & Sep 29	Class 7: Chapter 8	Class 8: Chapter 8
Week 6 Oct 3 & Oct 6	Class 9: Chapter 9 (A-Synchronous*) & Chapter 10	Midterm 1: Chapters 1 & 5 – 8
Week 7 Oct 10 & Oct 13	No Class – Thanksgiving	Class 10: Chapter 10
Week 8 Oct 17 & Oct 20	Class 11: Chapter 11	Class 12: Chapter 11
Week 9 Oct 24 & Oct 27	Class 13: Chapter 12	Class 14: Chapter 12
Week 10 Oct 31 & Nov 3	Class 15: Chapter 13	Class 16: Chapter 13
Week 11 Nov 7 & Nov 10	Class 17: Chapter 14	No Class – Remembrance Day
Week 12 Nov 14 & Nov 17	Midterm 2: Chapters 9 – 13	Class 18: Chapter 15
Week 13 Nov 21 & Nov 24	Class 19: Chapter 16	Class 20: Chapter 16
Week 14 Nov 28 & Dec 1	Class 21: Chapter 17	Class 22: Chapter 18
Week 15 Dec 5	Class 23: Chapter 19	
	Final Exams	

**Time Value of Money (TVM) is extensively covered in BUS 110, during BUS 232, you will have an opportunity to revisit the fundamentals of TVM in chapter 9. We'll apply our TVM knowledge in several chapters.*

Please Note:

Date and time allotted to each topic is subject to change.

During the class sessions, you will learn the following:

- Explain the goals and functions of finance
- Define, calculate and interpret operating and financial leverage
- Explain the importance of working capital management, considering the impact of:
 - working capital and financing decisions
 - current asset management (cash, marketable securities, account receivable & inventory)
 - sources of short-term financing and costs associated with these financing alternatives.
- Calculate and interpret the various time value of money considerations in the capital budgeting process
- Extend TVM knowledge into financial asset (bonds and stocks) valuations, also extending on the various components of a required rate of return
- Analyze the different components of capital and the associated costs for the different components
- Employ the capital asset pricing model (CAPM)
- Determine the optimal capital structure and marginal cost of capital of different capital structures
- Evaluate investment proposals using AAR, PP, NPV, IRR, MIRR and PI, considering different cash flow components and selecting the appropriate investment strategy
- Describe and analyze risk, integrating risk ratings into capital budgeting and investment portfolios
- Explain the role and functions of capital markets with consideration for market efficiency and regulation
- Evaluate the different roles of investment dealers in their functions as intermediaries
- Critique the advantages and disadvantages of private and public fund raising
- Explain and calculate security pricing and distributions in the underwriting process
- Explain the use of long-term debt and the opportunities that long-term debt instruments grant
- Explain what factors influence bond yields and prices
- Analyze the impact of changing interest rates on bonds, considering bond re-issue and refunding
- Consider leasing as a form of financing, contrasting operating and financing leases
- Analyze lease against purchase decisions, determining the most suitable form of financing
- Compare features of common and preferred stock
- Differentiate between the tax treatments of dividends and bond interest
- Explain shareholder rights, types of shareholders and shareholder voting
- Calculate the number of shares required to elect directors using cumulative vs majority voting
- Analyze the use of rights in financing, calculating the value of a right and the impact on holdings
- Evaluate the decisions regarding distribution of profits through dividends
- Argue theories regarding the relevance of dividends
- Consider alternatives to dividends (stock dividends, stock splits, repurchases & reinvestment)
- Distinguish between different derivative contracts
- Describe warrants and contrast a warrant to convertible securities
- Calculate the value of forwards, futures, options, swaps and warrants
- Identify and analyze reasons for foreign investment
- Determine the impact of exchange rate risk, economic risk, and political risk
- Identify international sources of financing

Performance Requirements and Student Services**Student Responsibilities**

As a student, it is your responsibility to contact the Office of the Registrar to complete the required forms, including the Withdraw Course or Program or a Change of Registration form. Please refer to the important dates listed in the Academic Schedule in the [Keyano College credit calendar](#). The Keyano College credit calendar also has information about Student Rights and the Code of Conduct. It is the responsibility of each student to be aware of the guidelines outlined in the Student Rights and the Code of Conduct Policies.

Student Attendance

Class attendance is helpful for two reasons: First, class attendance maximizes a student's learning experience. Second, attending class is an excellent way to keep informed of matters relating to the course administration (e.g., the timing of assignments and exams). Ultimately, you are responsible for your learning and performance in this course. It is the responsibility of each student to be prepared for all classes. Absent students are responsible for the material covered in those classes, and students must ensure they are ready for their next class, including completing any missed assignments and notes.

Academic Misconduct

Students are considered responsible adults and should adhere to the principles of intellectual integrity. Intellectual dishonesty takes many forms:

- Plagiarism or the submission of another person's work as their own,
- The use of unauthorized aids in assignments or examinations (cheating),
- Collusion or the unauthorized collaboration with others in preparing work,
- The deliberate misrepresentation of qualifications,
- The willful distortion of results or data,
- Substitution in an examination by another person,
- Submitting unchanged work for another assignment, and
- Breach of confidentiality.

The consequences for academic misconduct range from a verbal reprimand to expulsion from the College. More specific descriptions and details are found in the Student Rights and Code of Conduct section of the Keyano College credit calendar. It is the responsibility of each student to be aware of the guidelines outlined in the Student Rights and Code of Conduct Policies. To ensure your understanding of plagiarism, you may be required to complete the online [Understanding Plagiarism tutorial](#) and submit the certificate of completion.

Online Learning

Technology and internet connectivity will impact your online learning experience. You may be required to watch online videos, take online quizzes, or participate in live online classes. Live/virtual courses will be hosted in Microsoft Teams or Zoom. For all course delivery types, you will access your course resources on Keyano's learning management system: Moodle (iLearn). Login in using your [Keyano username and password](#). Keyano College operates in a Windows-based environment and having access to the correct tools for online learning is essential. Here's a list of recommended system requirements.

Internet Speed

Minimum download and upload speeds of 10 Mbps. Recommended download speeds of 25 Mbps and upload speeds of 10 Mbps (if you are sharing your internet at home). You can check your internet speed with [Speedtest by Ookla](#).

Computer System Requirements

Microsoft Windows	Apple (Mac)
--------------------------	--------------------

<p>Minimum Requirements:</p> <ol style="list-style-type: none"> Windows 10 Operating System or above 4GB of RAM 10GB available hard drive storage space <ol style="list-style-type: none"> Install the Microsoft Office 365 suite (~3GB) * Microphone, webcam, and speakers (All modern laptops have these three accessories built-in.) Windows has built-in anti-virus/malware software. It is essential to install system updates to keep your device secured regularly. <p>*Microsoft Office 365 is free to Keyano students.</p>	<p>Minimum Requirements:</p> <ol style="list-style-type: none"> Mac Operating System 10.14 (Monterey) or above 4GB of RAM 10GB available hard drive storage space <ol style="list-style-type: none"> Install the Microsoft Office 365 suite (~3GB) * Microphone, webcam, and speakers (All modern laptops have these three accessories built-in.) Mac has built-in anti-virus/malware software. It is important to install system updates to keep your device secured regularly. <p>*Microsoft office 365 is free to Keyano students.</p>
<p>Recommended Upgrades</p> <ul style="list-style-type: none"> 8GB of RAM Regularly back up or synchronize your files, locally or with a cloud-based storage option. <p>OneDrive is the cloud-based storage option free to students after the setup of KeyanoMail and Microsoft 365.</p>	<p>Recommended Upgrades</p> <ul style="list-style-type: none"> 8GB of RAM Regularly back up or synchronize your files locally or with a cloud-based storage option. <p>OneDrive is the cloud-based storage option free to students after the setup of KeyanoMail and Microsoft 365.</p>
<p>Tablets, iPads, and Chromebooks are not recommended: they may not be compatible with the testing lockdown browsers and Microsoft Office 365.</p>	

Specific Department Requirements

Business and OA programs require Windows 10. Other programs may utilize Windows-based tools as well.

Computer Software

Students have access to Microsoft Office 365 and Read&Write for free using Keyano credentials.

Recording of Lectures and Intellectual Property

Students may only record a lecture if explicit permission is provided by the instructor or Accessibility Services. Even if students have permission to record a lecture or lecture materials, students may not share, distribute, or publish any of the lectures or course materials; this includes any recordings, slides, instructor notes, etc., on any platform. Thus, no student is allowed to share, distribute, publish or sell course-related content without permission. It is important to recognize that the Canadian Copyright Act contains provisions for intellectual property. The [Academic Integrity Policy](#) provides additional information on Keyano College's expectations from students as members of the intellectual community.

ITS Helpdesk

If you have issues with your student account, you can contact the ITS Helpdesk by emailing its.helpdesk@keyano.ca or calling 780-791-4965.

COVID-19 We are subject to provincial, and municipal bylaws, and policies. These decisions may change pending further direction from the Alberta Chief Medical Officer, Alberta Health Services, and other provincial guidelines. To protect yourself and others, get immunized, wash your hands, wear a mask,

keep your distance (2m/6 ft) and remain home when feeling unwell. For the most recent COVID-19 information, please refer to albertahealthservices.ca/COVID.

Specialized Supports The Student Services Department is committed to Keyano students and their academic success. There is a variety of student support available at Keyano. All student services are available during Keyano business hours: Monday to Friday, 8:30 a.m. to 4:30 p.m. The College is closed on statutory holidays. If you require support outside of regular business hours, please inform the support service team, and they will do their best to accommodate your needs.

Accessibility Services provides accommodations for students living with disabilities. Students with documented disabilities or who suspect a disability can meet with an Access Strategist to discuss their current learning barriers and possible accommodations. Students who have accessed accommodations in the past are encouraged to contact the department to request accommodations for the following semester. Please note that requesting accommodations is a process and requires time to arrange. Contact the department as soon as you know you may require accommodations. For accessibility supports and disability-based funding, please book an appointment by emailing us at: accessibility.services@keyano.ca.

Accessibility Services also provides individual and group learning strategy instruction for all students and technology training and support to enhance learning. You can meet with an Access Strategist to learn studying and test-taking strategies. In addition, you can schedule an appointment with the Assistive Technology Specialist to explore technology tools for learning. Book an appointment today by emailing: accessibility.services@keyano.ca

Wellness Services offers a caring, inclusive, and respectful environment where students can access free group and individual support to meet academic and life challenges. Mental Health Coordinators provide a safe and confidential environment for you to seek help with personal concerns. Our Wellness Navigator offers support with basic needs such as housing, financial and nutritional support, and outside referrals when needed. Wellness Services welcomes students to participate in group sessions that address topics including mindfulness and test anxiety throughout the academic year. Individual appointments can be made by emailing wellness.services@keyano.ca.

Library Services: provides students with research, information, and education technology supports as they engage in their studies. Library staff are available to help you online and in person throughout the semester. Librarians offer individual and small group appointments booked using the online [Book A Librarian calendar](#). The Library also provides research and subject guides to help you with your studies. To view a subject or course-specific guide, check out the complete list of online [Subject Guides](#). To start your research and access citation guides (APA, MLA, Chicago, or IEEE), visit the [Research Help page](#). The Library's collections (including print and online materials) are searchable using [OneSearch](#). The Library offers a Loanable Technology collection to support students accessing and using technology. For an up-to-date list of technology available for borrowing, visit the Library's [Loanable Technology webpage](#). For a detailed list of library resources and services, go to www.keyano.ca/library. For all inquiries, please email askthelibrary@keyano.ca or [chat with us online](#).

Academic Success Centre: The Academic Success Centre at Keyano College (CC-119) provides **free** academic support services to registered students, such as tutoring, writing support, facilitated study groups, workshops, and study space. Academic Content Specialists are available in Mathematics, Science, Trades, Power Engineering, Upgrading/College Prep, Human Services, English, Humanities, and more. Students are encouraged to visit the Academic Success Centre to discuss study strategies and academic concerns. For additional information, please email Academic.Success@keyano.ca.

Academic Success Coach: The Academic Success Coach is located in the Academic Success Centre and works with students to develop academic success plans, time management skills, study strategies, and homework plans. For additional information, please email Academic.Success@keyano.ca.

Authorization

This course outline has been reviewed and approved by the Program Chair.

[First Name, Last Name], Instructor

[First Name, Last Name], Chair

Date Authorized

[First Name, Last Name], Dean

Date Authorized

Signed copies to be delivered to:

Instructor

Registrar's Office