

**Commerce 3FA3
Managerial Finance
Winter 2021 Course Outline**

**Finance and Business Economics
DeGroot School of Business
McMaster University**

COURSE OBJECTIVE

The goal of this course is to give students a passion for finance and develop an understanding of the key concepts used in the business world. This course continues the introduction to modern business finance begun in Commerce 2FA3. The course balances theory, evidence and applications to prepare students for elective courses in finance and taxation and to provide some of the knowledge required to work effectively in the contemporary business environment.

INSTRUCTOR AND CONTACT INFORMATION

Instructor

Waquar Ahmad
Email: ahmadw9@mcmaster.ca

TA

TBA

Course website: <http://avenue.mcmaster.ca/> and <https://app.tophat.com/e/151915>

COURSE ELEMENTS

| | | | | | | | |
|-----------------|-----|---------------|-----|-------------|-----|-------------------|-----|
| Credit Value: | 3 | Leadership: | Yes | IT skills: | No | Global view: | Yes |
| A2L: | Yes | Ethics: | Yes | Numeracy: | Yes | Written skills: | No |
| Participation: | No | Innovation: | Yes | Group work: | No | Oral skills: | Yes |
| Evidence-based: | Yes | Experiential: | No | Final Exam: | Yes | Guest speaker(s): | No |

COURSE DESCRIPTION

The course focuses on the various problems and decisions confronting the CFO of a corporation. The CFO's decision making involves both short-term and long-term horizon, as well as both investing and financing choices. Major topics include raising long-term capital, cost of capital and capital structure, dividend policy, leasing, mergers and acquisitions, and working capital management. The course also looks into some of the behavioral aspects in finance and management.

This course is taught primarily through lectures, readings, and in-class discussions.

LEARNING OUTCOMES

This course is intended to provide students with a basic literacy in the problems and methods of modern business finance. During the lectures, the course will also discuss real world applications of the financial concepts that we cover. The course will, at every opportunity, discuss the ethical practices to be followed by a financial manager in the decision-making process.

Upon completion of this course, students will be able to complete the following key tasks:

- Knowledge of the sources of long-term and short-term sources of capital to finance projects and the ways to manage the sources;
 - Recognize the financial risks that a firm faces and the use of derivative instruments to encounter them;
 - Understand the established human behavioral factors affecting the mindset of market players.
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COURSE MATERIALS AND READINGS

Required textbook: Fundamentals of Corporate Finance with access to Connect*, Tenth (10th) Canadian Edition; McGraw-Hill Ryerson, 2019;

You may/should have the book from your 2FA3 class.

E-text with Connect (1 year): \$103.95

Print package with Connect: \$149.95

* You will need access to Connect which will be used for graded weekly homework assignments

Campus store link for book: https://campusstore.mcmaster.ca/cgi-mcm/ws/txsub.pl?wsTERMG1=211&wsDEPTG1=COMMERCE&wsCOURSEG1=3FA3&wsSECTIONG1=DAY%20C01&crit_cnt=1

COURSE OVERVIEW AND ASSESSMENT

This course will be delivered in a virtual classroom environment. The core content will be delivered using pre-recorded lectures while there will be fifty-minute weekly session of live lectures. The zoom link for the synchronous lectures will be posted on Avenue in a timely fashion. The course will feature virtual TA office hours, virtual tutorial sessions, online assessments including weekly quizzes (Top Hat), weekly assignments (Connect), two midterm tests (Avenue) and a final exam (Avenue).

Course delivery:

| ACTIVITIES | DELIVERY | DESCRIPTION | TOOL(S) |
|-----------------------------|--------------|---|--------------------------------|
| Lecture core content | synchronous | Weekly 3-4 recorded lecture videos (each 20-35 minutes long) * | Voiceover ppt posted on Avenue |
| Live lecture | synchronous | Weekly 50-minute live session; elaborate on content, answer student queries | Zoom |
| Tutorial | synchronous | Weekly 50-minute live session with TA; discuss weekly materials covered and problem solving | Zoom |
| Problem Solving | synchronous | Weekly 50-minute live session with TA going over the weekly quiz questions | Zoom |
| Readings | asynchronous | Weekly suggested textbook chapter sections; materials posted on Avenue | Textbook and Avenue links |

**A list of week-by-week topics covered in asynchronous lectures will be posted later in the outline.*

Course assessment: There are four different types of assessments for this course. The final student grade will be calculated as follows based on these:

| EVALUATIONS | WEIGHT | DESCRIPTION | DUE | WHERE |
|------------------------------|------------------|---|--|---------|
| Midterm test (x2) | 25%*2 = 50% | Multiple choice questions | Mid 1: 8:30 am to 10:30 am Feb 13 Mid 2: 8:30 am to 10:30 am Mar 20 | Avenue |
| Weekly quiz (x10) | 0.25%*4*10 = 10% | Four Multiple choice questions every week | Each Friday 10 pm | Top Hat |
| Weekly homework (x10) | 1%*10 = 10% | Ten Multiple choice questions every week | Each Tuesday 2:30 pm | Connect |
| Final exam | 30% | Forty-five Multiple choice questions | Exam week (Cumulative) 150 minutes | Avenue |

COURSE DELIVERABLES

Midterm tests (2):

There will be two midterm tests. Both will be open books and notes, held on Avenue and will run for two hours. Each test will have thirty (30) multiple choice questions (MCQs) of different level of difficulty carrying different weights. The tests will be held on Saturdays (13th February and 20th March, respectively) from 8:30 am to 10:30 am (Hamilton, ON time). **The timing of the test is set keeping convenience of both locally based students and internationally based students.** The detailed course schedule (to be posted later) at the end of this outline provides the coverage of these tests.

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF.

At McMaster University, student learning in undergraduate courses should be assessed on more than one occasion. No single academic obligation (e.g., essay, test, examination, etc.) should have a value of more than 75% of the final grade without approval from the Department Chair or Associate Dean's Office. The two midterm tests in this course are each worth 25% of total grade. **To this end, a student can request relief for one of the tests only (as approved by the Student Experience Office for coursework worth more than 24%). If a student needs to submit a request for missed coursework for both tests during the semester, s/he will have to communicate with the instructor so that an alternate arrangement can be made.** The final exam marks will be reweighted in case of approved missed tests. **Missed tests will not be eligible for 'curve' used for the test, if any.**

Weekly quiz (10) – Top Hat

There will be ten weekly quizzes based on the asynchronous lectures. No weekly quiz will take place during the midterm recess week, and the two weeks when the two midterms are scheduled. See the attached schedule of these quizzes at the end of the outline.

Each quiz will have four questions, each carrying 0.25% marks, every week (total 1% grade every week). Students can attempt these quizzes one time, and on their own time. **Each weekly quiz will open at 8:30 am on Wednesday (Hamilton, ON time) and has to be completed by Friday 10:00 pm (Hamilton, ON time) of the week the lectures are posted, and materials are covered.**

Time extensions are not granted for the quizzes under any circumstances. Missed weekly quiz will receive a grade of zero. As each of these quizzes carry only 1% of final grade, and the students have ample time to complete them, students cannot use MSAF if they miss any quiz.

Weekly homework (10) – Connect

Every week a set of ten questions will be assigned **on Connect**. Students will complete these individually. These assignments will have deadlines – they will be opened every Thursday at 3:30 pm and will be **due the following Tuesday at 2:30 pm** (Hamilton, ON time). A detailed schedule of these homework assignments is provided in the weekly schedule.

Time extensions are not granted for the homework assignments under any circumstances. Missed weekly homework assignment will receive a grade of zero. As each of these assignments carry only 1% of final grade, and the students have ample time to complete them, students cannot use MSAF if they miss any homework assignment.

Final Exam

This exam will be cumulative. The final exam will comprise of forty-five (45) multiple-choice questions. The material tested on of final exam will include the material covered in class as well as the suggested end of chapter problems and weekly quizzes and assignments.

The exam will be scheduled by the registrar's office and take place during the finals week. The exam will be held on Avenue. The duration of the final exam is 150 minutes (2 and a half hours).

A student missing the final exam is subject to the policies and procedures outlined in the undergraduate Academic Calendar for missed final exams.

NOTE: You can use any calculator (regular and financial) and MS Excel during all assessments in this course. All assessments are open books and notes. They are to be completed individually.

Tutorial and Problem-Solving Sessions

There will be **one** weekly tutorial session and **one** problem solving session conducted by your section's designated TA. These sessions are optional for students to attend. In the problem-solving session, the TA will answer your questions and go over two or three problems for the materials covered for the week. In the tutorial session, the TA will go over the questions in the Top Hat quiz and Connect assignment the week before. The times and virtual locations of the tutorial sessions will be posted on Avenue. The problem-solving session starts from week 1 while the tutorial sessions will commence from week 2 and both will be held synchronously on zoom.

COMMUNICATION AND FEEDBACK

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. **Students should only send emails to the TA assigned for their section which can be found at the first page of the outline.** This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. **Make sure to add 'COM FA3' in the subject line of email correspondence with the TAs.** Emails regarding course issues should NOT be sent to the Area Administrative Assistants. Students will receive evaluation feedback for 35% of the final grade prior to Week #9 in the term.

I may solicit feedback via an informal course review with students on Week #4 to allow time for modifications in curriculum delivery. Collected student feedback will be kept confidential and used to improve student experience for the course.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

<http://ug.degroot.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
 - improper collaboration in group work.
 - copying or using unauthorized aids in tests and examinations.
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AUTHENTICITY/PLAGIARISM DETECTION

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

This course uses on-line elements (e.g. e-mail, Avenue to Learn (A2L), Connect, Top Hat, web pages, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

This course will follow the university policy for using online proctoring software for tests and exams. If used the software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 3FA3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

**Commerce 3FA3
Introduction to Finance
Winter 2021 Course Schedule**

| # Week | Week Starting | Textbook Chapter | Chapter Title |
|--------|---------------|------------------|--|
| 1 | Jan 11 | 14 | Cost of Capital |
| 2 | Jan 18 | 16 | Capital Structure Policy |
| 3 | Jan 25 | 15 | Raising Capital |
| 4 | Feb 1 | 17 | Dividend Policy |
| 5 | Feb 8 | NO CLASS | MIDTERM TEST 1 (13 th FEBRUARY) CH 14, 15, 16 |
| 6 | Feb 15 | NO CLASS | RECESS |
| 7 | Feb 22 | 18,19 | Short-term Financing |
| 8 | Mar 1 | 22 | Leasing |
| 9 | Mar 8 | 23 | Mergers & Acquisitions |
| 10 | Mar 15 | NO CLASS | MIDTERM TEST 2 (20 th MARCH) CH 17, 18, 19, 22 |
| 11 | Mar 22 | 24 | Enterprise Risk Management |
| 12 | Mar 29 | 25 | Options and Corporate Securities |
| 13 | Apr 5 | 26 | Behavioral Finance |
| 14 | Apr 12 | WRAP | WRAP |

** This is a tentative schedule. The schedule may be adjusted (as any unforeseen situation evolves) to the discretion of the instructor.*