

**Commerce 2FA3  
Introduction to Finance  
Winter 2025 Course Outline**

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

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Section C01: Fri 14:30 – 16:20**

Dr. Rahman Khokhar

**Instructor**

[khokhaar@mcmaster.ca](mailto:khokhaar@mcmaster.ca)

**Office: DSB 304**

**Office Hours: Fri 16:30 – 17:30**

Class Location: **See Mosaic**

**Student TA**

Julie Dong

[dongz35@mcmaster.ca](mailto:dongz35@mcmaster.ca)

**Tutorials: T01 – Wed 15:30 – 16:20**

Class Location: **See Mosaic**

Office Hours: **16:30 – 17:30**

Office Hours Location: **DSB 105G**

**Course website:** <http://avenue.mcmaster.ca>

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***COURSE OBJECTIVE***

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The goal of this course is to provide students with an introduction to finance and develop an understanding of the key concepts used in the business world.

This course provides an overview of financial management and the financial system. The goal is to equip students with a basic understanding of how financial decisions are made. Students will learn fundamental finance concepts and tools, and how they are applied in practice. The course will lay a foundation for more advanced finance courses that students will subsequently take. Topics include the time value of money, capital budgeting, risk and return trade-off, and security valuation.

## ***COURSE DESCRIPTION AND LEARNING OUTCOMES***

This course is intended to provide students with 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.

## ***COURSE INFORMATION***

All lectures, tutorials, and office hours are held in person. The tutorials are an integral part of the course, where our teaching assistant will cover additional materials and exercises that complement the discussions from the lectures. Regular attendance at the tutorials is expected and crucial for success in the course.

## ***COURSE ELEMENTS***

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

## ***REQUIRED MATERIALS AND TEXTS***

- Avenue registration for slides, readings and other course materials: <http://avenue.mcmaster.ca>
- REQUIRED: Ross, Westerfield, Jordan, Pandes and Holloway, Fundamentals of Corporate Finance, 11th Canadian Edition. Toronto: McGraw-Hill Ryerson: henceforth RWJPH. (Recommended eBook)
- REQUIRED: Connect Access for RWJPH Textbook.
  - Immediate Access Cost: \$ 85.95 CAD (Includes Connect Access and eBook)

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## COURSE EVALUATION

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The following weighting scheme will be used:

#	Group Component	Weight	Date and Time
1	Weekly Connect Quizzes (Best 5 out of 7)	10%	See details below
2	Term Test 1 (2 hours) covers Week 1 to 4	25%	Friday, Feb 7 <sup>th</sup>
3	Term Test 2 (2 hours) covers Week 5 to 8	25%	Friday, Mar 21 <sup>st</sup>
4	Final Examination (2.5 hours) is cumulative and covers the whole semester	40%	TBA
	<b>Total</b>	<b>100%</b>	

- Both term tests will take place between 2:30-4:30 pm during the scheduled class times.
- The term tests and the final exam will cover materials from the textbook, readings, lectures, tutorials, and class discussions. All exams are closed book and will be held in person. Students should bring a non-programable calculator; the use of a financial calculator is optional. No other aids will be allowed.
- Quizzes will be completed through Avenue. Each quiz will consist of multiple-choice questions, with a 20-minute time limit and a single attempt allowed. Quizzes will be released on Tuesdays and will be due on Wednesdays, as per the specific dates listed below.

Quiz #	Coverage	Release Date	Due Date (11:59 pm)
1	Chapter 5	21-Jan	22-Jan
2	Chapter 6	28-Jan	29-Jan
3	Chapter 7	04-Feb	05-Feb
4	Chapter 12	23-Feb	24-Feb
5	Chapter 13	11-Mar	12-Mar
6	Chapter 8	18-Mar	19-Mar
7	Chapter 9	01-Apr	02-Apr

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## ***COMMUNICATION AND FEEDBACK***

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Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

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## ***MISSED ACADEMIC WORK***

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There is no accommodation for missed quizzes, but only the top 5 out of 7 quizzes will count towards the final mark.

Missed Term tests or exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. If a student files a successful MSAF for missing the term tests, the weight of the test will be transferred to the final exam. The final exam will be comprehensive and cover the entire course.

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## ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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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.degrootemcmaster.ca/forms-and-resources/missed-course-work-policy/>

\* Non-Commerce students must follow the Missed Course Work protocols outlined by their home faculty and Program Office.

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## ***COURSE MODIFICATION***

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From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

## ***GENERATIVE AI***

Students may use generative AI throughout this course in whatever way enhances their learning; no special documentation or citation is required.

## ***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](#).

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.

## ***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.

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## **ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES**

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

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

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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.

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## **COPYRIGHT AND RECORDING**

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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.

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## **EXTREME CIRCUMSTANCES**

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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, Avenue to Learn and/or McMaster email.

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## ***RESEARCH USING HUMAN SUBJECTS***

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All researchers conducting research that involves human participants, their records or their biological material are required to receive approval from one of McMaster's Research Ethics Boards before (a) they can recruit participants and (b) collect or access their data. Failure to comply with relevant policies is a research misconduct matter. Contact these boards for further information about your requirements and the application process.

McMaster Research Ethics Board (General board): <https://reo.mcmaster.ca/>

Hamilton Integrated Research Ethics Board (Medical board): <http://www.hireb.ca/>

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## ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your enrolment in Commerce 2FA3 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.

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## ***IMPORTANT LINKS***

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- [Mosaic](#)
- [Avenue to Learn](#)
- [Student Accessibility Services - Accommodations](#)
- [McMaster University Library](#)

**COURSE SCHEDULE**

**COMM 2FA3 - Introduction to Finance - C01 - Winter 2025**

(Subject to changes during the semester; students will be informed in advance)

Topic Number	Lecture Date	Tutorial Date	Topic Description	Reading in RWJPH	Suggested Textbook
				(11 <sup>th</sup> Canadian Edition)	Practice Problems
1	10-Jan	15-Jan	Introduction to Corporate Finance	Chapter 1	1.1-1.5, 1.7, 1.10, 1.12, 1.13 (from Concept Review)
2	17-Jan	22-Jan	Time Value of Money	Chapter 5	5.1-5.3, 5.8, 5.10-5.13, 5.18, 5.20
3	24-Jan	29-Jan	Discounted Cash Flow	Chapter 6.1-6.3	6.1, 6.3-6.4, 6.6-6.8, 6.11, 6.18, 6.30, 6.35
4	31-Jan	05-Feb	Bond Valuation	Chapter 7.1-7.4, 7.6	7.1-7.3, 7.6, 7.8, 7.11-7.12, 7.14, 7.26
	07-Feb		<b>TERM TEST #1 (Feb 7th)</b>	<b>Topics 1-4</b>	
5	14-Feb	12-Feb	Lessons from Capital Market History	Chapter 12	12.1-12.2, 12.4, 12.7, 12.9, 12.13-12.14, 12.16
	21-Feb		<b>Fall Recess: 17-Feb to 23 Feb</b>	<b>No Classes</b>	
6	28-Feb	05-Mar	Return, Risk & SML	Chapter 13.1-13.5	13.1-13.3, 13.6-13.7, 13.9, 13.11, 13.13-13.15, 13.19-13.20, 13.23-13.24, 13.26
7	07-Mar	12-Mar	Return, Risk & SML / Stock Valuation	Chapter 13.6-13.7 / Chapter 8.1	8.1-8.2, 8.6, 8.8-8.9, 8.11, 8.14, 8.20-8.21, 8.23-8.24, 8.26
8	14-Mar	19-Mar	Stock Valuation & Exam Review	Chapter 8.2-8.4	
	21-Mar		<b>TERM TEST #2 (Mar 21st)</b>	<b>Topics 5-8</b>	
9	28-Mar	02-Apr	NPV Analysis	Chapter 9	9.1, 9.3, 9.5-9.6, 9.8, 9.15-9.16, 9.19, 9.21, 9.23
10	04-Apr	09-Apr	Capital Investment Decisions	Chapter 10.1-10.6	10.1, 10.3-10.7, 10.12-10.14, 10.16, 10.18, 10.21, 10.25
			<b>Exam Period (Apr 10 - 26)</b>	<b>Topics 1 to 10</b>	<b>Final Exam Date TBD</b>