



# Rotman Commerce UNIVERSITY OF TORONTO

## Course Outline

### RSM 333H1S

Introduction to Corporate Finance  
Summer 2018

#### Course Meets:

L0101	Tuesdays and Thursdays	10 am – 12 pm	Yegen
L0201	Tuesdays and Thursdays	1 pm – 3 pm	Yegen
L5101	Tuesdays and Thursdays	5 pm – 7 pm	Husain

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Instructor: Eyub Yegen  
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Office Hours: TBD, by appointment

Instructor: Anwar Husain  
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Office Hours: TBD, by appointment

### Course Scope and Mission

This is an introductory course in corporate finance. The course provides a framework for analyzing the major types of investment and financing decisions made by corporations. Lectures and readings will provide an introduction to financial planning and working capital management, capital budgeting principles, capital structure and dividend policy, valuation and mergers and acquisitions.

### Course Prerequisites

*Exclusion:* ACT349H1, ECO359H1

*Prerequisite:* RSM219H1, RSM332H1

### Required Readings

*The required textbook:*

Booth, L., Cleary, W. S., and Rakita, I., **Introduction to Corporate Finance**, 4<sup>th</sup> Edition, John Wiley & Sons, Canada, 2016 (ISBN: 978-1-119-17128).

### Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

**Work**

Term Test 1	30%
Term Test 2	30%
Final Exam	40%

**Date**

July 13<sup>th</sup>, Time: TBD, Rooms: TBD  
 July 27<sup>th</sup>, Time: TBD, Rooms: TBD  
 During Faculty of Arts & Science Final Examination period

**There are no assignments or group work.**

Term Test 1 is **2 hours** in length and will cover material from lectures 1, 2, and 3.

Term Test 2 is **2 hours** in length and will cover material from lectures 4, 5, and 6.

The Final Exam is **3 hours** in length will cover material from **ALL** lectures, with emphasis on lectures 7, 8, 9, 10 and 11.

Formula sheets will be provided for each test. **You will NOT be permitted to enter the exam room with a cheat sheet.** Only non-programmable calculators and writing implements will be allowed.

**Tutorials**

Tutorials for this course will be held regularly, according to the schedule below. Note that students attend classes and tutorials on both Tuesdays and Thursdays in summer term, so in some weeks there is more than one tutorial. At tutorials, guidance will be provided on how to work through assigned questions from the textbook. It is best to attempt assigned questions prior to the Tutorials. Solutions will be posted following the Tutorials. **Location of Tutorials SS 2117.**

<b>Tutorial</b>	<b>Dates</b>	<b>Coverage</b>
1	July 5	Test 1 Material Tutorial #1
2	July 10	Test 1 Material Tutorial #2
July 13		Term Test 1: Lectures 1, 2 and 3
3	July 19	Test 2 Material Tutorial #1
4	July 24	Test 2 Material Tutorial #2
July 27		Term Test 2: Lectures 4, 5 and 6
5	August 2	Post Test 2 Material Tutorial #1
6	August 7	Post Test 2 Material Tutorial #2
7	August 9	Post Test 2 Material Tutorial #3

**POLICIES AND PROCEDURES****Scheduling Conflicts**

If a student is unable to take a term test due to a scheduling conflict, they should consult the instructor and every effort will be made to provide an alternative test writing time. All reasons must be approved by the Commerce Office.

### **Missed Tests (including midterm examinations)**

Students who miss a test for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are submitted in a timely manner, and that the request is subsequently approved by the Commerce Program Office, no academic penalty will be applied. In such cases, students must notify Rotman Commerce on the date of the missed test and submit supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** of the originally scheduled test. Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test. Documentation submitted in support of petitions for missing tests must be original; no faxed or scanned copies will be accepted.

**Note that a physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a later report of illness made by the student to a physician.**

***If for legitimate, documented, medical or compassionate reasons a student is unable to take a term test, the 30% will be re-allocated to other components of the grade. Note that a student missing the first term test will not be receiving any course feedback before the course drop deadline. If for legitimate reasons a student misses both term tests, they must obtain approval from the Commerce Office to take a 100% final examination in order to complete the course in the current term.***

### **Grading Concerns**

Students who have concerns about the grading of a Test may bring them to the attention of the instructor within one week of the Test being returned. Please re-submit the Test with a written explanation of your concerns. Tests re-submitted for remarking will be remarked in their entirety.

### **Accessibility Needs**

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or <http://www.studentlife.utoronto.ca/as>.

### **Academic Integrity**

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

### **Email**

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

### **Blackboard and the Course Page**

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore additional Portal Information for Students at <http://portalinfo.utoronto.ca/content/information-students>.

### **Recording Lectures**

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

## Weekly Schedule

<b>Session</b>	<b>Date</b>	<b>Topic</b>	<b>Readings</b>
1	July 3	Intro to Corporate Finance and Corporate Governance Refresher on Financial Analysis	Ch. 2, 3.3 – 3.5, 4.1 – 4.7
2	July 5	Financial Planning and Working Capital Issues	Ch. 4.8 – 4.10, 23
3	July 10	Working Capital: Current Assets and Current Liabilities	Ch. 24
4	July 12	Project Evaluation – Intro to Capital Budgeting Methods	Ch. 13.1 – 13.2, 13A
<b>July 13</b>		<b>Term Test 1: Lectures 1, 2 and 3</b>	
5	July 17	Cash Flow Estimation and Capital Budgeting Decisions	Ch. 13.3 – 13.5, 3.5, 14.1
6	July 19	Project Evaluation cont'd	Ch. 14.2 – 14.5
7	July 24	M&A	Ch. 15.1 – 15.4
<b>July 27</b>		<b>Term Test 2: Lectures 4, 5 and 6</b>	
8	July 26	Firm Valuation	Ch. 15.5 – 15.6
9	July 31	Cost of Capital	Ch. 20
10	Aug 2	Capital Structure	Ch. 21
11	Aug 7	Dividend Policy	Ch. 22
12	Aug 9	Course Overview	