



# Rotman Commerce UNIVERSITY OF TORONTO

## Course Outline

### RSM 333H1F

Introduction to Corporate Finance  
Fall 2017

#### Course Meets:

L0101	Mondays	9am – 11am	WO 20
L0201	Mondays	11am – 1pm	WO 20
L0301	Mondays	3pm – 5pm	WO 20
L5101	Mondays	5pm – 7pm	SK 548

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Instructor: Craig Geoffrey  
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Office Hours: Tuesdays 12pm – 2pm, by appointment, Open Door Policy

### 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).

*Three optional texts are recommended for this course:*

T. E. Copeland, J. F. Weston, and K. Shastri, **Financial Theory and Corporate Policy**, 4th edition, Addison-Wesley, 2004 (ISBN: 0-32-112721-8).

C. Holden, **Excel Modeling in Corporate Finance**, 3rd ed, Prentice Hall, 2008 (ISBN: 0-13-602561-7).

B. Malkiel, **A Random Walk Down Wall Street**, 9th edition, Norton, 2007 (ISBN: 0-39-333033-8).

## 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%  
Term Test 3            40%

### Date

October 6<sup>th</sup>, Time: **4pm – 6pm**, Rooms: SS 1069/1071/1073  
November 3<sup>rd</sup>, Time: **4pm – 6pm**, Rooms: SS 1069/1071/1073  
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.

Term Test 3 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.

## Weekly Tutorials

Tutorials for this course will be held each week during which a TA will be available to help you understand the course material and work through some of the quantitative problems you may encounter. During these sessions, questions from the textbook that cover topics from that week will be reviewed. Students should attempt to attend one of the tutorial sessions on a weekly basis.

**All Tutorials meet on Wednesdays 2pm – 4pm and 4pm to 6pm in WI 1016. NOTE: The Tutorial on September 13 is only from 4pm – 6pm (there is no 2pm – 4pm session on September 13).**

Tutorial Schedule:

Date	Topic
<b>13-Sep</b>	Lecture 1
<b>20-Sep</b>	Lecture 2
<b>27-Sep</b>	Lecture 3
<b>4-Oct</b>	Term Test 1 Review
<b>11-Oct</b>	Lecture 4
<b>18-Oct</b>	Lecture 5
<b>25-Oct</b>	Lecture 6
<b>1-Nov</b>	Term Test 2 Review
<b>8-Nov</b>	<b><u>NO TUTORIAL</u></b>
<b>15-Nov</b>	Lecture 7 + 8
<b>22-Nov</b>	Lecture 9
<b>29-Nov</b>	Lecture 10
<b>6-Dec</b>	Lecture 11

## **POLICY AND PROCEDURE**

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

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) 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 or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test or course deliverable.

Documentation submitted in support of petitions for missing tests and assignments must be original; no faxed or scanned copies will be accepted

**Note that the 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 documented legitimate medical or compassionate reasons, a student is unable to take a term test, the 30% of the course deliverable for that test will be re-allocated to remaining course deliverables. Note that a student missing the first term test will not be receiving any course feedback before the course drop deadline. If a student is unable to take a term test due to a scheduling conflict, they should consult the instructor. All reasons must be approved by the Commerce Office. If for any legitimate reasons a student would have to miss both term tests, they must inform the instructor and obtain approval from the Commerce Office to take a 100% final examination in order to complete the course in the current term.***

**If you have concerns about the grading of a Test, please 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

Session	Date	Topic	Readings
1	Sep 11	Intro to Corporate Finance and Corporate Governance Refresher on Financial Analysis	Ch. 2, 3.3 – 3.4, 4.1 – 4.7
2	Sep 18	Financial Planning and Working Capital Issues	Ch. 4.8 – 4.10, 23
3	Sep 25	Working Capital: Current Assets and Current Liabilities	Ch. 24
4	Oct 2	Project Evaluation – Intro to Capital Budgeting Methods	Ch. 13.1 – 13.2, 13A
Oct 6		<b>Term Test 1: Lectures 1, 2 and 3; 4pm – 6pm SS 1069/1071/1073</b>	
5	Oct 16	Cash Flow Estimation and Capital Budgeting Decisions	Ch. 13.3 – 13.5, 3.5, 14.1
6	Oct 23	Project Evaluation cont'd	Ch. 14.2 – 14.5
7	Oct 30	M&A	Ch. 15.1 – 15.4
Nov 3		<b>Term Test 2: Lectures 4, 5 and 6; 4pm – 6pm SS 1069/1071/1073</b>	
8	Nov 13	Firm Valuation	Ch. 15.5 – 15.6
9	Nov 20	Cost of Capital	Ch. 20
10	Nov 27	Capital Structure	Ch. 21
11	Dec 4	Dividend Policy	Ch. 22
12	Dec 7	Final Exam Review	