



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 333H1F

Introduction to Corporate Finance
Fall 2018

Course Meets:

L0101	Tuesdays	9am – 11am	WO 30
L0201	Tuesdays	11am – 1pm	WO 30
L0301	Tuesdays	9am – 11am	WO 30
L0401	Tuesdays	11am – 1pm	WO 30
L5101	Thursdays	2pm – 4pm	WO 20

Instructor: Craig Geoffrey
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Office Hours: TBD, 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, and mergers and acquisitions.

Course Prerequisites

Exclusion: ACT349H1, ECO359H1

Prerequisite: RSM219H1, RSM332H1

Required Readings

The required textbooks:

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

DeMello, Jim, **Cases in Finance**, Custom eBook, McGraw-Hill, 2018 (ISBN: 9781307288247)

To purchase the Cases eBook:

1. Go to <https://create.mheducation.com/shop/>
2. Search for and select book by Title, ISBN, Author, or State/School (**County must be set to Canada**)

ISBN: 9781307288247
Title: Demello Custom

3. Add the book to your cart and pay using a credit card or access code.

For detailed instruction use the links below.

- [Purchasing a book with an access code - PDF](#)
- [Purchasing a book using a credit card - PDF](#)

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

		Date
Term Test 1	25%	<u>October 12th</u> , Time & Place TBD
Term Test 2	25%	<u>November 16th</u> , Time & Place TBD
Final Exam	50%	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, 3, and 4.

Term Test 2 is **2 hours** in length and will cover material from lectures 5, 6, 7, and 8.

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

The cases covered in class (from the Cases eBook) will comprise approximately 30% of the marks for the Final Exam.

Formula sheets will be provided for each **TERM 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.

Handwritten crib sheets are permitted for the **FINAL EXAM**. One 8.5" x 11" sheet of paper with writing on both sides is allowed. Additional aides are limited to non-programmable calculators and writing implements.

Weekly Tutorials

In the Tutorials for this course a TA will work through assigned quantitative problems. For maximum benefit, students should attempt the assigned problems in advance. After the tutorials, the solutions to all assigned problems will be posted. Tutorial sessions will focus on the most challenging of the assigned problems. It is recommended that students attend tutorials regularly and keep up with the assigned problems throughout the course.

All Tutorials meet on Wednesdays and Thursdays 4pm – 5pm in LM 162. **NOTE: There are no Tutorials on Nov 7/8.**

Tutorial Schedule:

Date	Topic
19/20-Sep	Term Test 1 Material
26/27-Sep	Term Test 1 Material
3/4-Oct	Term Test 1 Material
10/11-Oct	Term Test 1 Review
Oct 12	Term Test 1
17/18-Oct	Term Test 2 Material
24/25-Oct	Term Test 2 Material
31-Oct/1-Nov	Term Test 2 Material
7/8-Nov	No Tutorials
14/15-Nov	Term Test 2 Review
Nov 16	Term Test 2
21/22-Nov	Post Test 2 Material
28/29-Nov	Post Test 2 Material

POLICY AND PROCEDURE

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 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 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 Rotman Commerce or the instructor with 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 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 25% 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 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:

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 11/12/13	Intro to Corporate Finance and Corporate Governance Refresher on Financial Analysis	Ch. 2, 3.3 – 3.4, 4.1 – 4.7 CASE 1: Are We Getting Too Big For Our Boots?
2	Sep 18/19/20	Financial Planning and Working Capital Issues	Ch. 4.8 – 4.10, 23 CASE 2: The Elusive Cash Balance
3	Sep 25/26/27	Working Capital: Current Assets and Current Liabilities	Ch. 24 CASE 2: The Elusive Cash Balance
4	Oct 2/3/4	Project Evaluation – Intro to Capital Budgeting Methods	Ch. 13.1 – 13.2, 13A CASE 3: Too Hot To Handle
5	Oct 9/10/11	Cash Flow Estimation and Capital Budgeting Decisions	Ch. 13.3 – 13.5, 3.5, 14.1 CASE 3: Too Hot To Handle
Oct 12		Term Test 1: Lectures 1, 2, 3, and 4; TBD	
6	Oct 16/17/18	Project Evaluation cont'd	Ch. 14.2 – 14.5 CASE 4: I Wish I Had a Crystal Ball
7	Oct 23/24/25	M&A	Ch. 15.1 – 15.4
8	Oct 30/31/Nov 1	Leasing	Ch. 16
Nov 5-9		Reading Week	
9	Nov 13/14/15	Cost of Capital	Ch. 20 CASE 5: It's Better To Be Safe Than Sorry
Nov 16		Term Test 2: Lectures 5, 6, 7, and 8; TBD	
10	Nov 20/21/22	Capital Structure	Ch. 21 CASE 5: It's Better To Be Safe Than Sorry
11	Nov 27/28/29	Dividend Policy	Ch. 22 CASE 6: Much Ado About Nothing?
12	Dec 4/5	Final Exam Review	