



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 333 H1S

Introduction to Corporate Finance
Winter 2019

Course Meets:

L0101	Mon	11 – 1 pm	WO35	Rotenberg
L0201	Mon	2 - 4 pm	WO20	Rotenberg
L0301	Mon	3 - 5 pm	WO25	Geoffrey
L0401	Tues	10 –12pm	WO25	Yi
L0501	Tues	11 – 1 pm	WO20	Rotenberg
L0601	Tues	6 - 8 pm	RT142*	Rotenberg *Jan 8 & Apr 2 RTL1010, Feb12 RTL1030
L0701	Tues	4 – 6 pm	WO35	Yi
L0801	Wed	10 –12pm	WO35	Geoffrey
L0901	Wed	12 - 2 pm	WO35	Geoffrey
L5201	Tues	6 – 8pm	WO20	Yi

T5101 Monday Tutorials 5-6 pm PB B150

T0101 Thursday Tutorials 3-4 pm OI G162

Instructor: Wendy Rotenberg, RT 446, rotenber@rotman.utoronto.ca
Office Hours: TBD, by appointment

Instructor: Craig Geoffrey, RT 442, craig.geoffrey@rotman.utoronto.ca
Office Hours: TBD, by appointment

Instructor: Irene Yi, RT 466, irene.yi@rotman.utoronto.ca
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, mergers & acquisitions, leasing, cost of capital, capital structure and dividend policy.

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.

<u>Work</u>		<u>Due Date</u>
Term Test 1	25%	Feb 8, Time: 4:10 -6 pm, Rooms: EX100 & EX200
Term Test 2	25%	Mar 15, Time: 4:10 -6 pm, Rooms: EX100 & EX200
Term Test 3	50%	During Faculty of Arts & Science Final Exam period

There are no assignments or group work.

Term Test 1 is **1 hour and 50 min.** in length and will cover material from lectures 1, 2, 3, and 4.

Term Test 2 is **1 hour and 50 min.** 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.

Note that questions about the six cases covered during the term (from the Demello Case eBook) will comprise approximately 30% of the Final Exam.

Test Policies

Crib sheets are permitted for the **TERM TESTS** and for the **FINAL EXAM**. **One** 8.5" x 11" sheet of paper with writing on both sides is allowed at the Term Tests while **Two** 8.5" x 11" sheets of paper with writing on both sides is allowed at the Final Exam. Additional aides are limited to non-programmable calculators and writing implements.

Note that formula sheets will not be provided. Students must include any formulas they believe will be useful on their own Crib sheets.

Weekly Tutorials

Tutorials for this course will be held most weeks beginning one week after the introductory lecture. Each tutorial is offered twice - Monday 5-6 pm and Thursday 3-4 pm. The schedule is provided below.

Tutorial problems are assigned in advance and are based on both end of chapter textbook problems and on Cases introduced in class. At the tutorial, a TA will work through the assigned problems, demonstrating how to approach the problems and think through the solutions. After the tutorials, the solutions to all assigned problems will be posted. To make best use of available time, Tutorial sessions will focus on the most challenging of the assigned problems.

Tutorial Schedule:

Date	Material
14/17 Jan	Term Test 1 Material
21/24 Jan	Term Test 1 Material
28/31 Jan	Term Test 1 Material
4/7 Feb	Term Test 1 Material
8 Feb	Term Test 1
11/14 Feb	Term Test 2 Material
25/28 Feb	Term Test 2 Material
4/7 Mar	Term Test 2 Material
11/14 Mar	Term Test 2 Material
15 March	Term Test 2
18/21 Apr	Post Test 2 Material
25/28 Apr	Post Test 2 Material

Weekly Schedule (any changes will be announced in class)

Session	Date	Topic	Readings
1	Jan 7/8/9	Intro to Corporate Finance and Corporate Governance Refresher on Financial Analysis	Ch. 2, 3.3 – 3.5, 4.1 – 4.7 CASE 1: Are We Getting Too Big For Our Boots?
2	Jan 14/15/16	Financial Planning and Working Capital Issues	Ch. 4.8 – 4.9, 23 CASE 2: The Elusive Cash Balance
3	Jan 21/22/23	Working Capital: Current Assets and Current Liabilities	Ch. 24
4	Jan 28/29/30	Project Evaluation – Intro to Capital Budgeting Methods	Ch. 13.1 – 13.2, 13.4, 13A
5	Feb 4/5/6	Cash Flow Estimation and Capital Budgeting Decisions	Ch. 13.3 – 13.5, 3.5, 14.1 CASE 3: Too Hot To Handle
Feb 8		Term Test 1: Lectures 1, 2, 3, and 4; 4pm – 6pm in EX100 & EX200	
6	Feb 11/12/13	Project Evaluation cont'd	Ch. 14.2 – 14.5 CASE 4: I Wish I Had a Crystal Ball
	Feb 18/19/20	Reading Week	
7	Feb 25/26/27	M&A	Ch. 15.1 – 15.4
8	Mar 4/5/6	Leasing	Ch. 16
9	Mar 11/12/13	Cost of Capital	Ch. 20
Mar 15		Term Test 2: Lectures 5, 6, 7, and 8; 4pm – 6pm in EX100 & EX200	
10	Mar 18/19/20	Capital Structure	Ch. 21 CASE 5: It's Better To Be Safe Than Sorry
11	Mar 25/26/27	Dividend Policy	Ch. 22 CASE 6: Much Ado About Nothing?
12	April 1/2/3	Final Exam Review	

POLICIES AND PROCEDURES

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.

Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to q.utoronto.ca and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours.

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.