

**The University of Western Ontario  
Management and Organizational Studies  
MOS 310a: FINANCE  
Sections 001 & 002  
Fall 2007**

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Office Hours: TBA

*Section 001: Mondays 3:30-5:30pm in SSC 3116 and Wednesdays 3:30- 5:30pm in SSC 3018*  
*Section 002: Tuesdays 10:30-12:30 in SSC 3006 and Wednesdays 12:30-2:30pm in HSB-9*

### **COURSE OBJECTIVES**

This course is designed to provide a broad overview of issues in financial management and corporate finance. The student will learn how financial managers make investment, financing, capital structure and other decisions and will be introduced to the financial tools and methods used by the financial managers. Topics covered will include financial analysis, risk, valuation, capital structure, capital budgeting, working capital management, dividend policy and other selected issues.

### **PREREQUISITES**

Business 257 and enrolment in the BMOS program is prerequisite. Note: it is the student's responsibility for ensuring that course prerequisites have been successfully completed or special permission from the Dean obtained. "Unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites."

### **TEXTBOOKS**

#### **Required:**

Gitman, Lawrence J. and Sean M. Hennessey, "Principles of Corporate Finance" Second Canadian Edition, Pearson Education Canada Inc. Also visit text's web page at [www.pearsoned.ca/gitman](http://www.pearsoned.ca/gitman)

#### **Recommended:**

Ross, Westerfield, Jordan and Roberts, "Fundamentals of Corporate Finance", Fifth Canadian Edition, McGraw-Hill Ryerson, 2005.

### **EVALUATION**

Midterm Examination	40% (October, exact date to be announced)
Final Examination	40% (To be scheduled by Registrar's Office)
Group Presentation	15%
Class Contribution	5%

## **CALCULATORS**

You will need a simple financial calculator. I strongly recommend **Texas Instruments BAI PLUS**. Please bring your calculator in each class with you in order to be able to take part in class discussions.

## **EXAMINATIONS**

There will be no make-up midterm exam. If you miss the midterm examination and provide official documentation, the final examination will carry the weight of the midterm examination too (80%).

## **NOTES**

**Plagiarism:** It is the student's responsibility to submit his or her own original written material. Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a serious academic offence (see Scholastic Offence Policy in the Western Academic Calendar).

**Plagiarism Checking:** The University of Western Ontario uses software for plagiarism checking. Students may be required to submit their written work in electronic form for plagiarism checking. See the current "Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:  
<http://www.uwo.ca/univsec/handbook/appeals/scholoff.pdf>."

The use of personal computers during examinations will not be permitted.

## **TOPICS:**

**Following is a broad outline of the topics covered in this course.**

### **I. Introduction**

- Overview of Corporate Finance (Chapter 1)

### **II. Financial Analysis and Planning**

- Financial Statement Analysis (Chapter 3)
- Financial Planning and Forecasting (Chapter 4)

### **III. Financial Tools and Concepts**

- Financial Markets, Institutions and Securities (Chapter 5)
- Time Value of Money (Chapter 6)
- Risk and Return (Chapter 7)
- Valuation of Financial Securities (Chapter 8)

### **IV. Long-Term Financial Decisions**

- The Cost of Capital (Chapter 9)
- Leverage and Capital Structure (Chapter 10)
- Dividend Policy (Chapter 11)

### **V. Long-Term Investment Decisions**

- Capital Budgeting: Principles and Techniques (Chapter 12)
- Capital Budgeting: Dealing with Project Risk and Other Topics (Chapter 13)

### **VI. Working Capital Management**

- Working Capital and Current Asset Management (Chapter 14)
- Management of Current Liabilities (Chapter 15)

### **VII. Special Topics**

- Lease Financing: Concepts and Techniques (Chapter 16)
- Corporate Securities: Derivatives and Swaps (Chapter 17)
- Mergers and Acquisitions (M&A) and Business Failure (Chapter 18)
- International Corporate Finance (Chapter 9)