FIN 3480 A02 (3 CH)
CORPORATION FINANCE THEORY AND PRACTICE
FALL 2020
Virtual Classroom, MW 11.30 am – 12.45 pm

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INSTRUCTOR

Name: Imran Khan
Office: Virtual Office (https://zoom.us/j/2960292996)
Email: imran.khan@umanitoba.ca
Office hours: Mon and Wed online between 8.30am to 9.30am OR by appointment

COURSE DESCRIPTION

The purpose of this course is to give students a deeper understanding of finance theory and techniques and their applications to corporate financial policy. Topics include cost of capital, capital budgeting, capital structure, dividend policy, leasing, real options, mergers & acquisition, and other special topics.

FIN 3480 is an optional course in the B.Comm. curriculum, students will extend their knowledge of finance concepts and techniques so that they better understand why and how correct financial decisions are made.

In particular, evaluating advance corporate finance decisions involves: (i) extending knowledge about capital budgeting and valuation with leverage; (ii) learning about option valuation and real options; (iii) reviewing capital structure concepts; (iv) learning about payout policies; and (v) introducing special topics on raising equity capital, leasing, working capital management, mergers & acquisitions, and corporate governance.
COURSE OBJECTIVES

1. Help you recognize importance of understanding advance corporate finance concepts for firm success.
2. Introduce you to advance corporate finance concepts & techniques to make good corporate finance decisions.
3. Help you recognize the application of advance corporate finance concepts around us.
4. Give you hands-on experience in conducting an advance corporate finance group project.

COURSE MATERIALS (REQUIRED)

1. As classes will be delivered synchronously via videoconferencing, a device enabled with a camera and microphone is required. Further, you are expected to be in a location with a reliable Internet connection that is strong enough for streaming video. You may also want to consider using earphones/headset with a mic, unless you have a computer/tablet with good speakers/mic.

2. The quiz, midterm and final exam may be administered via the Respondus Lockdown browser, as such, you will need a device (computer or tablet; smartphone will not work) with one of the following operating systems:
   - Windows 10, 8, or 7
   - Mac OS 10.15 to 10.12, OS X 10.11, or OSX 10.10
   - iOS: 11.0+ (iPad only)

3. You will need the Chrome browser. Other browsers such as Safari may not work.


   Please respect copyright laws. Photocopying textbooks or other reading material is a violation of copyright laws and is unethical, unless permission to copy has been obtained.

5. Financial calculator
   - Texas Instrument: TI-BAlI Plus OR
   - Hewlett Packard: HP-10BII or more advanced HP financial calculators

COURSE FORMAT AND ONLINE ACCESS

This course will be conducted “live” via videoconferencing using WebEx through UM Learn and will not involve in-person instruction. Classes will be during the scheduled class time to help you understand the assigned textbook chapters, the Class Lectures will (i) explain the most important corporate finance concepts and (ii) demonstrate how to use the corporate finance techniques to solve problems.

To join the class, log in to the UM Learn course and then choose Communication→Cisco Webex from the top menu and then click Join. Detailed instructions are available [here](#).
Please note that all classes will be recorded and the video recordings will only be shared with those students that attend the online class but advise during the class that they are experiencing an unstable internet connection.

**ASSESSMENT OF LEARNING**

There will be four components to the grading:

- **Quiz (Scheduled Sept 16 during class time)** 10%
- **Group Assignment (Due beginning of class on Dec 9)** 15%
- **Midterm (Scheduled Friday, Nov 6, 10am-12pm)** 35%
- **Final Exam (To be scheduled)** 40%

Of all the students who get 50% or over in the course:

- the top 5% of the class will get an A+
- next 15% will get an A
- next 20% will get a B+
- next 20% will get a B
- next 20% will get a C+
- next 15% will get a C
- next 5% will get a D

Getting less than 50% in the course will result in an F grade.

The letter grades are based on where your course total marks are on the above curve, regardless of the absolute number. For example, it is possible for you to get 90% in the course and not get an A if you were not in the top 20% of the class. Likewise, you may get 70% and still get an A if you are in the top 20% of the class. So, it can work both ways.

To protect the academic integrity of education at the Asper School, certain protocols will be observed for online exams. For instance, the online quiz, Midterm, and Final Exam may be set up such that each student will get a random subset of questions from a larger question bank, which means no two students will get exactly the same exam. Further, a very small number of questions may appear on a screen and you may not have the option to move back to questions you have already answered.

For the quiz and exams, we may be using university-approved Respondus Monitor, which will require you to have your camera and microphone on for the entire duration of the exam. As the software detects any unusual movements, please sit in a location where there are no people/pets or other moving objects in the camera’s view during the exam.

**Quiz [10%]**: After a brief review of past concepts is done in class, there will be a quiz based on the review of past concepts material with up to 30 multiple choice questions (see course schedule).

**Group Assignment [15%]**: There will be one group assignment during the term. The maximum number of group members is six, who will all receive the same mark unless advised prior to the submission of the
group assignment. Assignment will be made available after the midterm on UM Learn. Assignment is due at the beginning of the last class. Early submission of assignment may be made with no penalty. Late assignments receive a mark of zero.

**Midterm [35%]:** The midterm will cover the chapters listed in the course schedule. It may be comprised of multiple choice and/or fill-in-the-blank questions. More details will be placed on UM Learn prior to the midterm.

**Final Exam [40%]:** The final exam will be cumulative. It will be comprised of multiple choice and/or fill-in-the-blank questions. More details will be placed on UM Learn prior to the final exam.

**MISSED EXAM AND LATE SUBMISSION POLICY**

If you miss a quiz, midterm, or final exam for personal, medical, Asper School approved (see list of events), or any other reasons, you must report to your instructor as soon as possible. Missing a graded component is serious.

If you miss a quiz or midterm and you have an excused absence (e.g. medical or school approved or compassionate reason) then the weight of the missed quiz or midterm will be added to your final exam weight. Otherwise, if you have an unexcused absence then you will receive a mark of 0% for the missed quiz or midterm.

If you miss the group assignment then you will receive a mark of zero and there will be no make-up.

Do not make travel plans before the Final Exam. I cannot let you take the exam earlier/later because you booked a flight ticket for a date earlier than the final exam. In the event you have to miss the Final Exam for a valid reason, a request for a deferred exam must be made at your home Faculty’s Undergraduate Program Office (b_comm@umanitoba.ca, if you are an Asper student). Applying for a deferred exam does not guarantee your request will be granted.

**ATTENDANCE POLICY**

Class attendance is important if students are to derive maximum benefit from the course. It is important that you read the assigned material prior to the class and think about the issues covered. You are responsible for knowing what occurs in class which may include material not covered in the readings, modifications to the syllabus and announcements concerning exams.

**ELECTRONIC DEVICE POLICY**

Although this is course is taught in a remote teaching format, we will observe the protocols that would be expected during in-person classes. Please make sure your cellphone does not ring during class. No frivolous posting of messages in the Chat area during class. Practice self-control—don’t browse the Internet or check your e-mail/social media/text messages while class is in progress. Do not video/audio record class lectures or take pictures of the screen without the instructor’s permission.
OUT-OF-CLASS COMMUNICATION

PowerPoint files, assignment/project guidelines, other class-related files, and grades will be posted on UM Learn. Moreover, any announcements outside of class will be posted as a News Item in UM Learn. It is your responsibility to check your UofM email account and UM Learn frequently so that you don’t miss any announcements.

There are many questions that cannot be answered succinctly over email. If you email me a question, please consider whether it can be easily and effectively answered by email. If it cannot, please talk to me before or after class. If I receive a question that is difficult to answer electronically or will require a lengthy response, I will ask you to meet with me to discuss instead.

REFERENCING STYLE FOR WRITTEN WORK

In the group project for this course, you are expected to use the APA style of referencing for any in-text citations and any Bibliography. To learn about the APA style, please consult a librarian in the Management Library or look up [http://libguides.lib.umanitoba.ca/citationmanagers/referencemanagers](http://libguides.lib.umanitoba.ca/citationmanagers/referencemanagers).
CLASS SCHEDULE (TENTATIVE)

Sept 9  Course Outline
Sept 14  Review (past concepts)
**Sept 16**  Quiz (past concepts) during class
Sept 21 & 23  Chapter 9: Capital Budgeting
Sept 28 & 30  Chapter 15: Option Valuation
Oct 5 & 7  Chapter 16: Real Options
Oct 14 & 19  Chapter 17, 18, & 19: Capital Structure
Oct 21 & 26  Chapter 20: Payout Policy
Oct 28 & Nov 2  Chapter 21: Capital Budgeting & Valuation with Leverage
**Nov 6**  Midterm Exam: Ch 9, 15-17, 20, 21 (10am to 12:00pm in lieu of class on Nov 4)
Nov 16  Group Formation AND Group Assignment Handout
Nov 18 & 23  Chapter 23: Raising Equity Capital
Nov 25 & 30  Chapter 25: Leasing
Dec 2  Chapter 26: Working Capital Management
Dec 7  Chapter 28: Mergers & Acquisitions
Dec 9  Chapter 29: Corporate Governance
**Dec 12 to 23**  Final Exam: Ch 9, 15-17, 20-21, 23, 25, 26, 28, 29 (TBD: Date & Time)

IMPORTANT DATES

Drop Date  Sep 22
VW Deadline  Nov 23

Quiz  Sept 16  (during class)
Midterm  Nov 6  (Friday: 10am to 12:00pm)

Group Assignment  Dec 9  (Due beginning of class)

Final Exam  Dec 12 to 23  (TBD: Date & Time)
INTENDED LEARNING OUTCOMES

**AACSB Assurance of Learning Goals and Objectives**
The Asper School of Business is proudly accredited by AACSB. Accreditation requires a process of continuous improvement of the School and our students. Part of “student improvement” is ensuring that students graduate with the knowledge and skills they need to succeed in their careers. To do so, the Asper School has set the learning goals and objectives listed below for the Undergraduate Program. The checked goal(s) and objective(s) will be addressed in this course and done so by means of the items listed next to the checkmark.

<table>
<thead>
<tr>
<th>Goals and Objectives in the Undergraduate Program</th>
<th>Goals and Objectives Addressed in this Course</th>
<th>Course Item(s) Relevant to these Goals and Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  <strong>Quantitative Reasoning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Determine which quantitative analysis technique is appropriate for solving a specific problem.</td>
<td>✅</td>
<td>Entire course</td>
</tr>
<tr>
<td>B. Use the appropriate quantitative method in a technically correct way to solve a business problem.</td>
<td>✅</td>
<td>Entire course</td>
</tr>
<tr>
<td>C. Analyze quantitative output and arrive at a conclusion.</td>
<td>✅</td>
<td>Entire course</td>
</tr>
<tr>
<td>2  <strong>Written Communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Use correct English grammar and mechanics in their written work.</td>
<td>✅</td>
<td>Group assignment</td>
</tr>
<tr>
<td>B. Communicate in a coherent and logical manner</td>
<td>✅</td>
<td>Group assignment</td>
</tr>
<tr>
<td>C. Present ideas in a clear and organized fashion.</td>
<td>✅</td>
<td>Group assignment</td>
</tr>
<tr>
<td>3  <strong>Ethical Thinking</strong></td>
<td></td>
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</tr>
<tr>
<td>A. Identify ethical issues in a problem or case situation</td>
<td></td>
<td></td>
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<tr>
<td>B. Identify the stakeholders in the situation.</td>
<td>✅</td>
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<tr>
<td>C. Analyze the consequences of alternatives from an ethical standpoint.</td>
<td>✅</td>
<td></td>
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<tr>
<td>D. Discuss the ethical implications of the decision.</td>
<td>✅</td>
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<tr>
<td>4  <strong>Core Business Knowledge</strong></td>
<td>✅</td>
<td>Entire course</td>
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</table>
ACADEMIC INTEGRITY POLICY

The online format of class delivery does not lower the Asper School’s academic integrity standards. The same high levels of academic integrity are expected in Fall 2020 courses as they are in regular terms.

It is critical to the reputation of the Asper School of Business and of our degrees that everyone associated with our faculty behave with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any dishonesty in our academic transactions violates this trust. The University of Manitoba General Calendar addresses the issue of academic dishonesty under the heading “Plagiarism and Cheating.” Specifically, acts of academic dishonesty include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words (includes Chat messages posted during videoconference sessions)
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- recording exam questions using any method, regardless of whether those are shared with others
- sharing exam questions with those who are yet to take the exam, including future students
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of attendance, earning class participation marks, submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing test prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved

Group Projects and Group Work

Many courses in the Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic integrity. All group members should exercise special care to ensure that the group project does not violate the policy on Academic Integrity. Should a violation occur, group members are jointly accountable unless the violation can be attributed to specific individuals.

Some courses, while not requiring group projects, encourage students to work together in groups before submitting individual assignments. If it’s unclear whether it is allowed, students are encouraged to seek clarification from the instructor to avoid violating the academic integrity policy.

In the Asper School of Business, all suspected cases of academic dishonesty in undergraduate courses are reported to the Dean's office and follow the approved disciplinary process. See following table for typical penalties for academic dishonesty in the Asper School.
**Typical Penalties for Academic Dishonesty in the Asper School**

If the student is from another Faculty and the academic dishonesty is committed in an Asper course, the student’s Faculty could match or add penalties beyond the Asper School’s.

F-DISC on transcript indicates the F is for disciplinary reasons.

<table>
<thead>
<tr>
<th>ACADEMIC DISHONESTY</th>
<th>PENALTY</th>
</tr>
</thead>
</table>
| Cheating on exam (copying from or providing answers to another student) | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Sharing exam questions electronically during exam | F-DISC in course  
Suspension from taking Asper courses for 2 years  
Notation of academic dishonesty in transcript |
| Possession of unauthorized material during exam (e.g., cheat notes) | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Altering answer on returned exam and asking for re-grading | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Plagiarism on assignment | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Submitting paper bought online | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Inappropriate Collaboration (collaborating with individuals not explicitly authorized by instructor) | F-DISC in course  
Suspension from taking Asper courses for 1 year  
Notation of academic dishonesty in transcript |
| Group member had knowledge of inappropriate collaboration or plagiarism and played along | F-DISC in course  
Notation of academic dishonesty in transcript |
| Signing Attendance Sheet for classmate | F-DISC in course  
Notation of academic dishonesty in transcript |
**STUDENT SERVICES AND SUPPORTS**

The University of Manitoba provides many different services that can enhance learning and provide support for a variety of academic and personal concerns. You are encouraged to visit the below websites to learn more about these services and supports. If you have any questions or concerns, please do not hesitate to contact your instructor or the Undergraduate Program Office.

<table>
<thead>
<tr>
<th>For Information on...</th>
<th>...follow this link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech-related issues with UM Learn or videoconferencing</td>
<td>Information Services &amp; Technology</td>
</tr>
<tr>
<td>Admission, Registration, Tuition Fees, Important Dates, Final Exams, Graduation, and Transcripts</td>
<td>Registrar’s Office</td>
</tr>
<tr>
<td>Academic policies &amp; procedures, regulations, Faculty-specific information, degree and major requirements</td>
<td>Academic Calendar</td>
</tr>
<tr>
<td>Help with research needs such as books, journals, sources of data, how to cite, and writing</td>
<td>Library Resources</td>
</tr>
<tr>
<td>Tutors, workshops, and resources to help you improve your learning, writing, time management, and test-taking skills</td>
<td>Writing and Learning Support</td>
</tr>
<tr>
<td>Support and advocacy for students with disabilities to help them in their academic work and progress</td>
<td>Student Accessibility Services</td>
</tr>
<tr>
<td>Copyright-related questions and resources to help you avoid plagiarism or intellectual property violations</td>
<td>Copyright Office</td>
</tr>
<tr>
<td>Student discipline bylaws, policies and procedures on academic integrity and misconduct, appeal procedures</td>
<td>Academic Integrity</td>
</tr>
<tr>
<td>Policies &amp; procedures with respect to student discipline or misconduct, including academic integrity violations</td>
<td>Student Discipline</td>
</tr>
<tr>
<td>Students’ rights &amp; responsibilities, policies &amp; procedures, and support services for academic or discipline concerns</td>
<td>Student Advocacy</td>
</tr>
<tr>
<td>Your rights and responsibilities as a student, in both academic and non-academic contexts</td>
<td>Your rights and responsibilities</td>
</tr>
<tr>
<td>Full range of medical services for any physical or mental health issues</td>
<td>University Health Service</td>
</tr>
<tr>
<td>Information on health topics, including physical/mental health, alcohol/substance use harms, and sexual assault</td>
<td>Health and Wellness</td>
</tr>
<tr>
<td>Any aspect of mental health, including anxiety, stress, depression, help with relationships or other life concerns, crisis services, and counselling.</td>
<td>Student Counselling Centre</td>
</tr>
<tr>
<td>Support services available for help regarding any aspect of student and campus life, especially safety issues</td>
<td>Student Support Case Management</td>
</tr>
<tr>
<td>Resources available on campus, for environmental, mental, physical, socio-cultural, and spiritual well-being</td>
<td>Live Well @ UofM</td>
</tr>
<tr>
<td>Help with any concerns of harassment, discrimination, or sexual assault</td>
<td>Respectful Work and Learning Environment</td>
</tr>
<tr>
<td>Concerns involving violence or threats, protocols for reporting, and how the university addresses them</td>
<td>Violent or Threatening Behaviour</td>
</tr>
</tbody>
</table>
ABOUT THE INSTRUCTOR

Imran is a Sessional Instructor in the Departments of Accounting & Finance, Supply Chain Management, and Business Administration. He has a BSc, MSc, MBA, and PhD degrees with expertise in applying engineering techniques (e.g. agent-based modelling and simulation, queueing theory, artificial neural networks, and fuzzy logic) to solve management problems.

Imran has 20 years of management-engineering cross-disciplinary business experience as Business Analyst, Project Manager, Investments Manager, Business Consultant, and Business Incubation Manager.

Additionally, Imran has 20 years of Sessional Instructor teaching experience in a variety of areas, including: Business Strategy, Production & Operations Management, Corporate Finance, Investments, and Management Information Systems.