



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 333 H1F

Introduction to Corporate Finance
Fall 2019

Course Meets:

L0101	Tues	11 – 1 pm	WO 35	Rotenberg
L0201	Tues	1 – 3 pm	WO 25	Rotenberg
L0301	Tues	2 - 4 pm	WO 20	Boyko
L0401	Tues	4 - 6 pm	WO 20	Boyko
L0501	Tues	5 – 7 pm	WI 523	Rotenberg

T0101	Wed Tutorial	3-5 pm	LM162
T5101	Wed Tutorial	5-7 pm	LM161

Instructor: Wendy Rotenberg, RT 446, rotenber@rotman.utoronto.ca
Office Hours: Tuesday 3:30-4:30 pm or by appointment

Instructor: Dana Boyko, RT 434, dana.boyko@rotman.utoronto.ca
Office Hours: Thursday 1:30 – 2:30 pm or 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 capital budgeting principles, mergers & acquisitions, leasing, cost of capital, capital structure, dividend policy, financial planning and working capital management .

Course Prerequisites

Exclusion: ACT349H1, ECO359H1

Prerequisite: RSM219H1, RSM332H1

Required Readings

The required textbook:

Ross, S.A., R.W. Westerfield, J.F. Jaffe, G.S. Roberts and H. Driss, Corporate Finance, 8th Canadian Edition, McGraw Hill Education, 2019

In RSM 333 we make extensive use of the textbook including referring to specific examples within chapters and to specific end of chapter problems. You can purchase the textbook in hard copy or in digital form. There are also Connect resources made available by McGraw Hill Education if you would like access to additional practice questions.

Note that the publisher has made available to us a special exclusive deal where your purchase of the digital textbook (which is sold with Connect) includes access to edition updates for FOUR YEARS in digital form.

The University of Toronto Bookstore sells hard copies of the text as well as access codes for both the digital copy of the text and the optional Connect resources in the following combinations, with the following ISBN codes:

Print package with Connect, 4-year access card: **126033984X \$189.95**

Digital Only Connect, 4-year access: **9781260339420 \$119 list**

Digital Only Connect, ebookless (180 day access): **9781260339413 \$60 list**

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

Due Date

Term Test	35%	Friday October 18 time and Location TBA
Participation Exercises (5 @ 3%)	15%	In Lectures or In Tutorials – dates TBA
Final Test	50%	In Faculty of Arts & Science Exam period

There are no assignments or out-of-class group work.

Term Test is 2 hours in length and will cover material from **lectures 1 through 5**.

Final Exam is 3 hours in length and will cover material from **ALL** lectures.

Participation Exercises in Lectures and Tutorials

There will be eight, 3 -point exercises completed by students in lectures and tutorials (best 5 of 8 will be counted). The exercises are a form of class participation so attendance is required in order to participate. Some exercises will be completed individually and some will be completed in groups of 2-3 students. For group exercises, students can choose their own groups. Note that it is an academic offence to include the name of a student not present in the submission of a group exercise.

There are no make-up exercises and students must complete these exercises in the section (of class or tutorial) in which they are registered. A grade of zero will be assigned for work submitted at a session in which a student is not registered and there will be no exceptions so **students must attend their scheduled session** in order to participate.

You must take responsibility for your own attendance or lack of attendance at class. **DO NOT contact your instructor if you are unable to attend a session.** The counting of only the best 5 out of 8 exercises allows for occasional absences without an impact on grades.

Weekly Tutorials

Tutorials for this course will be held every week and are an integral part of the course. **Students must register in a tutorial and attend regularly.** Each tutorial is offered at two times - Wednesday 3-5 pm and 5-7 pm. The schedule is provided below.

Practice problems will be assigned in advance. To make best use of available time, the tutorial sessions will focus on the most challenging of the assigned problems. In some tutorials there will be a participation exercise as described above. The tutorial session immediately following the term test will be where tests are returned to students and solutions and feedback provided.

Tutorial Schedule:

Date	Tutorial
Sept 11	Tutorial 1
Sept 18	Tutorial 2
Sept 25	Tutorial 3
Oct 2	Tutorial 4
Oct 9	Tutorial 5
Oct 16	Tutorial 6
Oct 23	Tutorial 7: Term Test Return
Oct 30	Tutorial 8
Nov 13	Tutorial 9
Nov 20	Tutorial 10
Nov 27	Tutorial 11
Dec 4	Tutorial 12

Weekly Schedule (any changes will be announced in class)

Session	Date	Topic	Readings
1	Sept 10	Introduction to Corporate Finance Capital Budgeting Methods	Ch 1 Ch 7
2	Sept 17	Cash Flow Estimation and Capital Budgeting Decisions	Ch 8
3	Sept 24	Risk Analysis, Real Options and Capital Budgeting	Ch 9
4	Oct 1	Risk, Return and Capital Budgeting Cost of Capital	Ch 13
5	Oct 8	M&A	Ch 30
6	Oct 15	TERM TEST WEEK – Review Class	
7	Oct 22	Leasing	Ch 22
8	Oct 29	Long Term Financing : an Introduction Capital Structure	Ch 15 Ch 16
		Reading Week	
9	Nov 12	Capital Structure : Limits to the Use of Debt	Ch 17 Ch 31
10	Nov 19	Dividend Policy Financial Analysis Refresher Financial Planning and Growth	Ch 19 Ch 2 Ch 3
11	Nov 26	Short Term Finance and Planning Cash Management	Ch 27 Ch 28
12	Dec 3	Credit Management Course Wrap-up	Ch 29

POLICIES AND PROCEDURES

Aids Allowed at Tests and Participation Exercises

For the Term Test and Final Exam only calculators and writing implements are allowed. Formula sheets will be provided at the tests and will be posted in advance for your information.

Calculators and writing implements are also allowed during Participation Exercises. Most of these Exercises are “open book”, with no limitations on resources/aids. When this will not be the case, appropriate resources will be provided (for instance, relevant formulas).

Missed Term Tests

Students who miss the term 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, the 35% for the term test will be shifted to the Final Exam.

In such cases, students must notify the Rotman Commerce Program Office on the date of the course deliverable such as a missed test, or assignment missed class (in the case of participation marks), or due date. They must then complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable. Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed 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 the term test, the 35% of the course grade for that test will be re-allocated to the final test. Note that a student missing the term test will not be receiving significant course feedback before the course drop deadline. If a student is unable to take the term test due to a scheduling conflict, they should consult the instructor. All reasons must be approved by the Commerce Office.

Grading Concerns

If you have concerns about the grading of your 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 may be remarked in their entirety with the result of a higher mark, a lower mark, or no change at all.

POLICIES AND PROCEDURES Cont'd

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, Quercus 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.