

FM 2555A Course Outline

1. Course Information

Term: Fall 2022

Venue: UCC 146

Day/time: Tuesday (12:30 – 2:30 PM) and Thursday (12:30 – 1:30 PM)

Requisites: Pre-or Corequisite(s): Actuarial Science 2553A/B or Actuarial Science 2053.

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.

2. Instructor Information

Instructors	Email	Office	Phone	Office Hours
Dr Rogemar Mamon	rmamon@stats.uwo.ca	WSC 209	519-661-3625	Appointment is necessary. Tuesday (2:45 – 3:45PM) and Thursday (1:45 – 3:00PM)

Important

Students must use their Western (@uwo.ca) email addresses when contacting the instructor. Email messages from non-UWO account will NOT be read.

*The subject of your email should have the format: **FM 2555** (insert “at most 4 words about your query”); failure to do so will cause a delayed response.* The instructor will endeavour to respond to email messages within 48 hours.

3. Course Syllabus, Schedule, and Delivery Mode

Course description: Goal and governance of firms, bond and stock pricing, risk and return, portfolio theory, Capital Asset Pricing Model, capital budgeting, market efficiency, corporate financing.

Antirequisite(s): Management and Organizational Studies 2310A/B, Management and Organizational Studies 3310A/B.

Extra Information: 3 lecture hours

Key Sessional Dates:

Classes begin: 08 September 2022

Fall Reading Week: 31 October – 06 November 2022

Classes end: 08 December 2022

Exam period: 10 - 22 December 2022

Delivery mode: In-person setting

Contingency plan for an in-person class pivoting to 100% online learning

In the event of a COVID-19 resurgence during the course that necessitates the course delivery moving away from face-to-face interaction, affected course content will be delivered entirely online, either synchronously (i.e., at the times indicated in the timetable) or asynchronously (e.g., posted on OWL for students to view at their convenience). The grading scheme will **not** change. Any remaining assessments will also be conducted online as determined by the course instructor.

4. Course Materials

Textbook: Principles of Corporate Finance, 14th Edition,

By Richard Brealey and Stewart Myers and Franklin Allen and Alex Edmans

ISBN10: 1264080948

ISBN13: 9781264080946

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Coverage: We shall cover the first 5 parts of the above textbook.

Part One: Value

Chapter 1: Introduction to Corporate Finance

Chapter 2: How to Calculate Present Values

Chapter 3: Valuing Bonds

Chapter 4: Valuing Stocks

Chapter 5: Net Present Value and Other Investment Criteria

Chapter 6: Making Investment Decisions with the Net Present Value Rule

Part Two: Risk

Chapter 7: Introduction to Risk, Diversification, and Portfolio Selection

Chapter 8: The Capital Asset Pricing Model

Chapter 9: Risk and the Cost of Capital

Part Three: Best Practices in Capital Budgeting

Chapter 10: Project Analysis

Chapter 11: How to Ensure That Projects Truly Have Positive NPVs

Part Four: Financing Decisions and Market Efficiency

Chapter 12: Efficient Markets and Behavioral Finance

Chapter 13: An Overview of Corporate Financing

Chapter 14: How Corporations Issue Securities

Part Five: Payout Policy and Capital Structure

Chapter 15: Payout Policy

Chapter 16: Does Debt Policy Matter?

Chapter 17: How Much Should a Corporation Borrow?

Chapter 18: Financing and Valuation

Students are responsible for checking the course OWL site (<http://owl.uwo.ca>) on a regular basis for news and updates. This is the primary method by which information will be disseminated to all students in the class.

All course material will be posted to OWL: <http://owl.uwo.ca>.

If students need assistance with the course OWL site, they can seek support on the OWL Help page. Alternatively, they can contact the Western Technology Services Helpdesk. They can be contacted by phone at 519-661-3800 or ext. 83800.

Technical Requirements

Technical requirements for the course if delivery will be online: stable internet connection and computer with working microphone and/or webcam.

5. Methods of Evaluation

The overall course grade will be calculated as listed below:

Assignments (2)	16%	[Due dates: 13 Oct and 10 Nov]
Midterm Tests (2)	34%	[Exam 1: 25 Oct & Exam 2: 22 Nov]
Final Exam	50%	[To be determined by the Registrar's Office]

Accommodated evaluations

If you miss a course requirement due to an excused absence (see also Section 6) then the weight of that assessment will be moved to the final exam. If the absence is not excused, then you will receive a grade of zero with no option to submit late or alternate work.

Rounding of marks statement

Across the Sciences Undergraduate Education programs, we strive to maintain high standards that reflect the effort that both students and faculty put into the teaching and learning experience during this course. All students will be treated equally and evaluated based only on their actual achievement

Final grades on this course, irrespective of the number of decimal places used in marking individual assignments and tests, will be calculated to one decimal place and rounded to the nearest integer, e.g., 74.4 becomes 74, and 74.5 becomes 75. Marks WILL NOT be bumped to the next grade or GPA, e.g. a 79 will NOT be bumped up to an 80, an 84 WILL NOT be bumped up to an 85, etc. The mark attained is the mark you achieved, and the mark assigned; requests for mark “bumping” will be denied.

6. Student Absences

For missing a course component less than 10% of the final course grade, contact the instructor. For missing a course component totalling 10% or more of the final course grade, you must provide valid medical or supporting documentation to the Academic Counselling Office of your Faculty of Registration as soon as possible. For further information, please consult the University's medical illness policy at

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf.

The Student Medical Certificate is available at

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

Absences from Final Examination

If you miss the Final Exam, please contact the Academic Counselling office of your Faculty of Registration as soon as you are able to do so. They will assess your eligibility to write the Special Examination (the name given by the University to a makeup Final Exam).

You may also be eligible to write the Special Exam if you are in a "Multiple Exam Situation" (e.g., more than 2 exams in 23-hour period, more than 3 exams in a 47-hour period).

If a student fails to write a scheduled Special Examination, the date of the next Special Examination (if granted) normally will be the scheduled date for the final exam the next time this course is offered. The maximum course load for that term will be reduced by the credit of the course(s) for which the final examination has been deferred. See the Academic Calendar for details (under [Special Examinations](#)).

7. Accommodation and Accessibility

Religious Accommodation

When a course requirement conflicts with a religious holiday that requires an absence from the University or prohibits certain activities, students should request accommodation for their absence in writing at least two weeks prior to the holiday to the course instructor and/or the Academic Counselling office of their Faculty of Registration. Please consult University's list of recognized religious holidays (updated annually) at

<https://multiculturalcalendar.com/ecal/index.php?s=c-univwo>.

Accommodation Policies

Students with disabilities are encouraged to contact Accessible Education, which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The policy on Academic Accommodation for Students with Disabilities can be found at:

[https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic Accommodation_disabilities.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Accommodation_disabilities.pdf).

8. Academic Policies

The website for Registrarial Services is <http://www.registrar.uwo.ca>.

In accordance with policy,

https://www.uwo.ca/univsec/pdf/policies_procedures/section1/mapp113.pdf,

the centrally administered e-mail account provided to students will be considered the individual's official university e-mail address. It is the responsibility of the account holder to ensure that e-mail received from the University at their official university address is attended to in a timely manner.

Only *non-programmable calculators that do not make any sound* will be permitted on tests and exams. All other electronic devices are not allowed.

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/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Computer-marked multiple-choice tests and exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Tests and examinations in this course may be conducted using a remote proctoring service. By taking this course, you are consenting to the use of this software and acknowledge that you will be required to provide **personal information** (including some biometric data) and the session will be **recorded**. *In the event of a shift to online delivery*, completion of this course will require you to have a reliable internet connection and a device that meets the technical requirements for this service. More information about this remote proctoring service, including technical requirements, is available on Western's Remote Proctoring website at:

<https://remoteproctoring.uwo.ca>.

9. Support Services

Please visit the Science & Basic Medical Sciences Academic Counselling webpage for information on adding/dropping courses, academic considerations for absences, appeals, exam conflicts, and many other academic related matters: <https://www.uwo.ca/sci/counselling/>.

Students who are in emotional/mental distress should refer to Mental Health@Western (<https://uwo.ca/health/>) for a complete list of options about how to obtain help.

Western University is committed to a thriving campus as we deliver our courses in the mixed model of both virtual and face-to-face formats. We encourage you to check out the Digital Student Experience website to manage your academics and well-being: <https://www.uwo.ca/se/digital/>.

Additional student-run support services are offered by the USC, <https://westernusc.ca/services/>.