

FM 2555A Course Outline

1. Course Information

Term: Fall 2024

Venue: TBA

Day/time: Thursday (5:30 – 8:30 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.

NB: This course is part of the University Accreditation Program meeting certain requirements by the Canadian Institute of Actuaries.

University Accreditation Program – Canadian Institute of Actuaries (CIA)

Honours Specialization in Actuarial Science

If you graduate from Western with an HSP in Actuarial Science, this course will be one of the courses that you will take in your program that will allow you to be exempt from the preliminary exams of the Society of Actuaries (SOA). If your plan is to become a fully qualified actuary working in Canada, then all you would need to do is graduate from your HSP in actuarial science and you would then be eligible for the CIA Capstone Exam. Taking and passing this exam, along with completing two online modules and a practice education course, would make you eligible to become an ACIA (Associate of the Canadian Institute of Actuaries).

Major in Actuarial Science

If you graduate from Western with a major in Actuarial Science, the CIA accreditation program will not apply to you. If your plan is to become a fully qualified actuary, then you will need to continue to write and pass the preliminary exams of the SOA.

Please see the following link for full details:

<https://www.cia-ica.ca/starting-your-journey/actuarial-education-in-canada/>

In addition to the university's internal policies on conduct, including academic misconduct, candidates pursuing credits for writing professional examinations shall also be subject to the **Code of Conduct and Ethics for Candidates in the CIA Education System**.

<https://www.cia-ica.ca/publications/223159e/>

2. Instructor Information

Instructor	Email	Office Hours
Prof Imran Abdool	iabdool2@uwo.ca	Friday 10am-12pm via Zoom. Appointment is necessary.
TAs Pan Kaize Zeng Xinyi Purigali Pramod	kpan26@uwo.ca xzeng85@uwo.ca ppurigal@uwo.ca	By appointment

Important

Students must use their Western (@uwo.ca) email addresses when contacting the instructor. Email messages from non-UWO accounts 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 can result in a delayed response. The instructor will endeavor to respond to email messages within 48 hours (business days) – please do not send multiple emails.*

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: 05 September 2024

Fall Reading Week: 12 - 20 October 2024

Classes end: 06 December 2024

Exam period: 09 - 22 December 2024

Delivery mode: In-person setting

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

Copyright: 2023

Bookstore information:

https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2024A&courses%5B0%5D=001_UW/FMO2555A

Course coverage

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 Four: Financing Decisions and Market Efficiency

Chapter 12: Efficient Markets and Behavioral Finance

Part Five: Payout Policy and Capital Structure

Chapter 16: Does Debt Policy Matter?

Note: *The pace of this course in covering the materials is roughly one chapter per week.*

All course material will be posted to OWL: <https://westernu.brightspace.com/>

Students are responsible for checking the course OWL site (<https://westernu.brightspace.com/>) regularly for news and updates. This is the primary method by which information will be disseminated to all students in the class.

If students need assistance with the course OWL site, they can seek support on the [OWL Brightspace 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 is 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:

Assessment	Date	Weight
Midterm 1	Oct 3 rd	25%
Midterm 2	Nov 7 th	25%
Final Exam	TBA	50%

Both midterm exams will be in-class and scheduled for 2-hours. The midterms can include a combination of MC, TF, short-answer and in-depth problem-solving questions. Each midterm is incremental in its coverage of content, i.e., Midterm 2 covers the material after Midterm 1.

The Final Exam is scheduled by the Registrar's Office and will be for 2 hours. The exam is cumulative, and its questions could include short answer (1-2 paragraphs response), short essay (3-5 paragraphs), and in-depth problem solving, i.e., mathematical questions requiring several steps, commentary on your methodology and an interpretation of the conclusion relative to the question's initial context.

You must pass the final exam to pass the course. A failing grade in the final exam will be calculated as a final course grade of 45%.

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

If Midterm 1 is missed, its weight will be shifted to the Final Exam. Midterm 1 can be missed without formal documentation from Academic Counselling. **In contrast, Midterm 2 requires formal Academic Counselling approval for any absence.** If Midterm 2 alone is missed, its weight will be shifted to the Final Exam. If both Midterm 1 and Midterm 2 are missed, a special joint make-up midterm (in lieu of both Midterms 1 and 2) will be offered. The format and length of this make-up midterm may differ from the original.

The Final Exam always requires formal approval for any absences. If the Final Exam is missed, and if relief is granted, a make-up exam will be offered. The format and length of the make-up exam may vary from the original final exam. If this make-up exam is missed, and only with approval the exam can be written when the course is offered next.

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.

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.

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. 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/>.