

## FM2555A Course Outline

### 1. Course Information

#### Course Information

**Course Name:** Corporate Finance

**Course Number:** FM2555A

**Academic Term:** Fall, 2025

**Lecture Hours:** Tuesday 12:30 – 2:30 PM; Thursday 12:30 – 1:30 PM

**Lecture Room:** PAB 148

#### List of Prerequisites

Actuarial Science 2553A/B or Actuarial Science 2053.

Unless you have either the prerequisites for this course or written special permission from the Department of Statistical and Actuarial Sciences to enroll in it, you may be removed and withdrawn from this course in accordance with university policy. This may be done after the add/drop deadline of the academic term, and the course will be marked as withdrawn (WDN) on your academic record. This decision may not be appealed.

#### **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

Instructors	Email	Office	Office Hours
Dr. Ankush Agarwal (Course Coordinator)	aagarw93@uwo.ca	WSC 272	Thu/Fri 9-10AM
Kaize Pan Bilal Husain	kpan26@uwo.ca bhusain4@uwo.ca		

Students must use their Western (@uwo.ca) email addresses when contacting their instructors.

Office hours: in-person at the specified time or via Zoom by appointment.

## 3. Course Syllabus, Schedule, Delivery Mode

In this course, we will focus on a subset of important topics in corporate finance listed below

1. Tools—arbitrage valuation, time value of money, interest rates
2. Valuation of bonds and stocks
3. Investment decision rules
4. Capital markets and risk pricing
5. Optimal portfolio choice and Capital Asset Pricing Model (CAPM)
6. Estimating the cost of capital
7. Real options

**By the end of this course, you will be able to:**

1. Apply core financial tools such as arbitrage valuation, time value of money, and interest rate calculations to practical corporate finance problems.
2. Analyze and compare the valuation of bonds, stocks, and investment projects using established decision-making rules.
3. Evaluate the relationship between risk and return in capital markets and demonstrate how the Capital Asset Pricing Model (CAPM) informs optimal portfolio choice.
4. Estimate and interpret the cost of capital for firms and assess its implications for investment decisions.

Tentative schedule for course content is as below:

Week 1: The corporation and financial markets (Sep 4)

Week 2: Introduction to financial statement analysis and arbitrage valuation (Sep 9)

Week 3: Time value of money and interest rates (Sep 16)

Week 4 – Week 5: Valuation of bonds and stocks (Sep 23, Sep 30)

Week 6: Investment decision rules (Oct 7)

Week 7: Capital markets and the pricing of risk (Oct 14)

Week 8: Optimal portfolio choice and CAPM (Oct 21)

Week 9: Group presentations (Oct 28)

Week 10: Reading week (Nov 4)

Week 11: Estimating the cost of capital and capital market efficiency (Nov 11)

Week 12: Real options (Nov 18)  
Week 13: Capital budgeting and valuation with leverage (Nov 25)  
Week 14: Risk management (Dec 2)  
Week 15: Revision session (Dec 9)

**Classes begin:** September 4, 2025  
**Fall Reading Week:** November 3 – 9, 2025  
**Classes end:** December 9, 2025  
**Exam period:** December 11 – 22, 2025

## 4. Course Materials

- **Required textbook:** [Berk, DeMarzo and Stangeland, Corporate Finance, 6<sup>th</sup> edition, Pearson]. **\$106**  
[https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2025A&courses%5B0%5D=001\\_UW/FMO2555A](https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2025A&courses%5B0%5D=001_UW/FMO2555A)
- **Students need to purchase this edition. Second-hand or older editions will not be sufficient.**

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.

## 5. Methods of Evaluation

### Grading Scheme and Assessment Dates

The overall course grade will be calculated as listed below:

Assignments (3)	30%
Group Project	40%
Final Exam	30%

Assignments will be given roughly every 4 weeks. The group project presentations will take place during the last class before reading week. The project will be based on first seven weeks of the course.

### Use of Generative AI Tools

- **Not permitted** for assignments and final written exam.
- **Permitted** for idea generation for group project submissions.

### General information about missed coursework

Students must familiarize themselves with the *University Policy on Academic Consideration – Undergraduate Students in First Entry Programs*, posted on the Academic Calendar:

[https://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/academic\\_consideration\\_Sep24.pdf](https://www.uwo.ca/univsec/pdf/academic_policies/appeals/academic_consideration_Sep24.pdf),

This policy does not apply to requests for Academic Consideration submitted for **attempted or completed work**, whether online or in person.

The policy also does not apply to students experiencing longer-term impacts on their academic responsibilities. These students should consult [Accessible Education](#).

For procedures on how to submit Academic Consideration requests, please see the information posted on the Office of the Registrar's webpage:

[https://registrar.uwo.ca/academics/academic\\_considerations/](https://registrar.uwo.ca/academics/academic_considerations/)

All requests for Academic Consideration must be made within 48 hours after the assessment date or submission deadline.

All Academic Consideration requests must include supporting documentation; however, recognizing that formal documentation may not be available in some extenuating circumstances, the policy allows students to make one Academic Consideration request **without supporting documentation** in this course. However, the following assessments are excluded from this, and therefore always require formal supporting documentation:

- Group project
- Final exam

When a student *mistakenly* submits their one allowed Academic Consideration request **without supporting documentation** for the assessments listed above or those in the **Coursework with Assessment Flexibility** section below, the request cannot be recalled and reapplied. This privilege is forfeited.

### **Evaluation Scheme for Missed Assessments**

When a student misses the Final Exam and their Academic Consideration has been granted, they will be allowed to write the Special Examination (the name given by the University to a makeup Final Exam). See the Academic Calendar for details (under [Special Examinations](#)), especially for those who miss multiple final exams within one examination period.

### **Coursework with Assessment Flexibility**

**Assignments.** Students are expected to submit each of the assignments by the deadline listed. Should extenuating circumstances arise, students do not need to request Academic Consideration and they are permitted to submit their assignment up to 48 hours past the deadline without a late penalty. Should students submit their assessment beyond 48 hours past the deadline, a late penalty of 10% per day will be applied. Academic Consideration requests may be granted only for extenuating circumstances that started before the deadline and lasted longer than the No-Late-Penalty Period (48 hours).

## **6. Additional Statements**

### **6.1 Religious Accommodation**

When conflicts arise with a religious holiday that requires an absence from the University or prohibits certain activities, students should request an accommodation for their absence in writing to the course instructor and/or the Academic Advising office of their Faculty of Registration. This notice should be

made as early as possible, but not later than two weeks prior to the writing of the examination (or one week prior to the writing of the test).

Please visit the Diversity Calendars posted on our university's EDID website for the recognized religious holidays - <https://www.edi.uwo.ca>

## 6.2 Academic 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).

## 6.3 General Academic Policies

The website for Registrar Services is <https://www.registrar.uwo.ca/>.

**Use of @uwo.ca email:** In accordance with policy, [https://www.uwo.ca/univsec/pdf/policies\\_procedures/section1/mapp113.pdf](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 email address. It is the responsibility of the account holder to ensure that emails received from the University at their official university address are attended to in a timely manner.

**Requests for Relief** (formally known as "appeals")

Policy on Request for Relief from Academic Decision:

[https://uwo.ca/univsec//pdf/academic\\_policies/appeals/requests\\_for\\_relief\\_from\\_academic\\_decisions.pdf](https://uwo.ca/univsec//pdf/academic_policies/appeals/requests_for_relief_from_academic_decisions.pdf)

Procedures on Request for Relief from Academic Decision (Undergraduate):

[https://uwo.ca/univsec//pdf/academic\\_policies/appeals/undergrad\\_requests\\_for\\_relief\\_procedure.pdf](https://uwo.ca/univsec//pdf/academic_policies/appeals/undergrad_requests_for_relief_procedure.pdf)

[If cross-listed as a grad course] Procedures on Request for Relief from Academic Decision (Graduate):

[https://uwo.ca/univsec//pdf/academic\\_policies/appeals/graduate\\_requests\\_for\\_relief\\_procedure.pdf](https://uwo.ca/univsec//pdf/academic_policies/appeals/graduate_requests_for_relief_procedure.pdf)

## 6.4 Scholastic Offences

Policy on Scholastic Offences:

[https://uwo.ca/univsec//pdf/academic\\_policies/appeals/scholastic\\_offences.pdf](https://uwo.ca/univsec//pdf/academic_policies/appeals/scholastic_offences.pdf)

Procedures on Scholastic Offences (Undergraduate):

[https://uwo.ca/univsec//pdf/academic\\_policies/appeals/undergrad\\_scholastic\\_offence\\_procedure.pdf](https://uwo.ca/univsec//pdf/academic_policies/appeals/undergrad_scholastic_offence_procedure.pdf)

### Use of Electronic Devices During Assessments

In courses offered by the Faculty of Science, the possession of unauthorized electronic devices during any in-person assessment (such as tests, midterms, and final examinations) is strictly prohibited. This includes, but is not limited to: mobile phones, smart watches, smart glasses, and wireless earbuds or headphones.

Unless explicitly stated otherwise in advance by the instructor, the presence of any such device at your desk, on your person, or within reach during an assessment will be treated as a *scholastic offence*, even if the device is not in use.

Only devices expressly permitted by the instructor (e.g., non-programmable calculators) may be brought into the assessment room. It is your responsibility to review and comply with these expectations.

## **6.5 Support Services**

Please visit the Science & Basic Medical Sciences Academic Advising webpage for information on adding/dropping courses, academic considerations for absences, requests for relief, 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 is committed to reducing incidents of gender-based and sexual violence (GBSV) and providing compassionate support to anyone who has gone through these traumatic events. If you have experienced GBSV (either recently or in the past), you will find information about support services for survivors, including emergency contacts at:

[https://www.uwo.ca/health/student\\_support/survivor\\_support/get-help.html](https://www.uwo.ca/health/student_support/survivor_support/get-help.html).

To connect with a case manager or set up an appointment, please contact [support@uwo.ca](mailto:support@uwo.ca). If you have any questions regarding accommodations, you may also wish to contact Accessible Education at

[http://academicsupport.uwo.ca/accessible\\_education/index.html](http://academicsupport.uwo.ca/accessible_education/index.html)

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