



**COURSE OUTLINE**

**FINANCE II**

**BUS261**

**45 HOURS**

**3 CREDITS**

PREPARED BY:      Gayle Corry      December 5, 2016

APPROVED BY:      Margaret Dumkee, Dean      December 12, 2016

APPROVED BY ACADEMIC COUNCIL



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# Finance II

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**INSTRUCTOR:** Gayle Corry

**OFFICE LOCATION:**

**TELEPHONE:** 668-8702

**EMAIL:** gcorry@yukoncollege.yk.ca

**OFFICE HOURS:** Tuesdays and Thursdays 1:00 to 5:00PM or by appointment, available in evenings as well by appointment

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**COURSE OFFERING:** Winter 2017

**DAYS & TIMES:** Tuesdays 6:30PM to 9:30PM, beginning January 10, 2017

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## COURSE DESCRIPTION

BUS261 continues to explore the science of money management in a corporate context by building on the foundation developed in BUS260. The course will focus on how firms value, assess and mitigate risk across a variety of contexts, including capital budgeting, international finance, leasing, and mergers and acquisitions. Cultural contexts of finance will also be explored.

## PREREQUISITES

1<sup>st</sup> year pre-requisites: ACCT101 + ACCT102

2<sup>nd</sup> year pre-requisites: BUS260

## RELATED COURSE REQUIREMENTS

None

## EQUIVALENCY OR TRANSFERABILITY

This course is BCCAT (British Columbia Council on Admissions & Transfer) transferable, and in conjunction with Finance I, is recognized by the CPA (Chartered Professional Accountant) program as equivalent to their Corporate Finance preparatory course. The link to the BCCAT web page is

<http://www.bctransferguide.ca/search/course?search=BUS261&direction=Sending>.

**LEARNING OUTCOMES**

Upon successful completion of the course, students will have demonstrated the ability to;

1. Measure the relationship between risk and return.
2. Calculate the relationship between the cost of capital and long term financial policy.
3. Illustrate the role played by currencies and exchange rates in international finance.
4. Demonstrate the function and role of derivative securities
5. Discuss the relationship between risk and return across a variety of cultural paradigms, including traditional Aboriginal perspectives.

**COURSE FORMAT**

Course content will be presented principally through lectures, and sample problems. Students are encouraged to raise and answer questions and get actively involved in any class discussions that might arise.

If students require additional assistance, the Instructor is available during scheduled office hours. Students are encouraged to make an appointment during these times, as appointments will take precedence over 'drop-ins.' A short visit is often all it takes to clear up a problem area.

Given the volume of material that needs to be covered in this course, classes have to be conducted on the assumption that the assigned material has been read and studied. If students are doing the assigned readings and preparing with exercises before class, their class room experience should be energizing.

**Homework**

All required readings, and exercises are listed in the Business 261 Syllabus. Students are responsible for correcting their own work using the Solutions Manual for the text, which includes answers to the end-of-chapter questions and problems. The Solutions Manual is available on-line at the course website. Students need to ensure that they check their own work; this course is sequential with many of the lessons building on previous lessons.

## Evaluations

There will be four tests, worth 7.5% each (30% total). The tests will be approximately 30 minutes long and will be written at the beginning of the class. Specific dates are noted on the syllabus. The purpose of these tests is to help students master the material on a chapter-by-chapter basis. Questions on the tests will be very similar to problems studied in class and/or the assigned self-study questions.

Business 261 has a midterm and a final examination, both of which must be completed within the scheduled class time.

If a student misses a test or exam, it is their responsibility to reschedule an alternative date *before* their planned absence.

Examples of acceptable (valid) reasons for missing a scheduled test or exam include personal illness (supported by a doctor's note) or absence required by an employer (supported by a letter from the employer). Only one such deferral is allowed per semester. If no valid reason is given, the student's mark on that test will be "0".

The 3-hour final exam is comprehensive, however is weighted 70% to material covered after the midterm, and 30% to material beforehand.

The final grade for this course will be determined as follows:

Tests (4 @ 7.5% each)	30%
Midterm Exam	30%
Final Exam	<u>40%</u>
Total	<u>100%</u>

## TEXT AND OTHER MATERIALS

- 1) Ross, Westerfield, Jordan and Roberts, *Fundamentals of Corporate Finance, Ninth Canadian Edition*, Irwin, Toronto, 2016.
- 2) Financial calculator—the one that will be used for instruction in class is *Sharp Business/Financial Calculator EL-738*, which is available in the bookstore.

## ACADEMIC AND STUDENT CONDUCT

Information on academic standing and student rights and responsibilities can be found in the Academic Regulations:

[https://www.yukoncollege.yk.ca/downloads/Yukon\\_College\\_Academic\\_Regulations\\_and\\_Procedures\\_-\\_August\\_2013\\_final\\_v1.pdf](https://www.yukoncollege.yk.ca/downloads/Yukon_College_Academic_Regulations_and_Procedures_-_August_2013_final_v1.pdf)

### **Attendance**

Regular student attendance and preparation are essential to enjoying this course. Learning finance concepts is no easy task. For the great majority of students, these concepts are far from intuitive, and mastering them requires hard work. This work will inevitably involve a lot of careful reading and repetition, and in class engagement. It is like any other game of logic or skill. It comes, but only through practice and often after many false starts.

### **Professional Conduct**

Students are expected to behave in a respectful and courteous manner during class, as is required in any workplace. This includes turning off all personal communication devices. Students who fail to demonstrate professionalism in the classroom and exhibit distracting/disrupting behaviours will be asked to leave.

### **Cheating**

Cheating involves actual, intended, or attempted deception and/or dishonest action in relation to any academic work of Yukon College. The penalties for academic dishonesty are severe and are described in section 4.02 and 4.03 of Yukon College's Academic Regulations and Procedures.

Examples of cheating include the following:

Taking unauthorized material into an evaluation and/or talking or communicating with another student during an evaluation. Unauthorized material in an evaluation will be regarded as attempted deception. Unauthorized material includes any notes/documents on your person and non-permitted equipment/devices (e.g. a prohibited model of calculator or an iPhone). If after the evaluation has started it is discovered that you have unauthorized material in your possession, including any information written on a part of your body or on clothing, it will automatically be assumed that cheating has taken place. The consequence will be the award of a mark of zero for the evaluation affected. Talking or communicating with another student during an evaluation is also considered cheating. You are not allowed to talk or communicate in any way with another student whilst you are writing the evaluation.

Talking or communicating with another student during a test/exam may result in you receiving a mark of zero for that evaluation.

## **PLAGIARISM**

Plagiarism is a serious academic offence. Plagiarism occurs when students present the words of someone else as their own. Plagiarism can be the deliberate use of a whole piece of another person's writing, but more frequently it occurs when students fail to acknowledge and document sources from which they have taken material. Whenever the words, research or ideas of others are directly quoted or paraphrased, they must be documented according to an accepted manuscript style (e.g., APA, CSE, MLA, etc.). Resubmitting a paper which has previously received credit is also considered plagiarism. Students who plagiarize material for assignments will receive a mark of zero (F) on the assignment and may fail the course. Plagiarism may also result in dismissal from a program of study or the College.

## **YUKON FIRST NATIONS CORE COMPETENCY**

Yukon College recognizes that a greater understanding and awareness of Yukon First Nations history, culture and journey towards self-determination will help to build positive relationships among all Yukon citizens. As a result, to graduate from ANY Yukon College program, you will be required to achieve core competency in knowledge of Yukon First Nations. For details, please see [www.yukoncollege.yk.ca/yfnccr](http://www.yukoncollege.yk.ca/yfnccr).

## **ACADEMIC ACCOMMODATION**

Reasonable accommodations are available for students requiring an academic accommodation to fully participate in this class. These accommodations are available for students with a documented disability, chronic condition or any other grounds specified in section 8.0 of the Yukon College Academic Regulations (available on the Yukon College website). It is the student's responsibility to seek these accommodations. If a student requires an academic accommodation, he/she should contact the Learning Assistance Centre (LAC) at (867) 668-8785 or [lassist@yukoncollege.yk.ca](mailto:lassist@yukoncollege.yk.ca).

## COURSE CALENDAR

PROPOSED SYLLABUS—WINTER 2017					
Class	Date	Chapter	Study Objectives	In Class Exercises	Test
1.		Chapter 12 - Lessons from Capital Market History & Cross-Cultural Reflections on Interest and Exchange Chapter 13 - Return, Risk, and the Security Market Line	All  13.1, 13.2, 13.6, 13.7	Course Introduction  1-7, 9, 11-17, 19	
2.		Chapter 13 - Return, Risk, and The Security Market Line Chapter 14 - Cost of Capital	14.1 - 14.4 14.6 - 14.7	Case Study 1-6, 9, 10, 12, 14	
3.		Chapter 14 - Cost of Capital Chapter 15 - Raising Capital	15.8, 15.9	15,16,18,19,20,23 5-8	Test #1
4.		Chapter 15 - Raising Capital Chapter 16 - Financial Leverage and Capital Structure Policy	16.1, 16.2, 16.5, 16.8-16.10	1-3,14,15	
5.		Chapter 16 - Financial Leverage and Capital Structure Policy Chapter 17 - Dividends and Dividend Policy	17.1, 17.5, 17.7, 17.8	1 - 9 5,6	Test #2
6.		Chapter 17 - Dividends		1-4, 7-13	



PROPOSED SYLLABUS—WINTER 2017					
Class	Date	Chapter	Study Objectives	In Class Exercises	Test
		and Dividend Policy Mid Term Review			
7.		<b>Mid Term Exam</b>			
8.		Chapter 21 - International Corporate Finance	21.1, 21.2, 21.4	1-4, 5-7, 9, 10	
9.		Chapter 22 - Leasing Chapter 23 - Mergers and Acquisitions	All All	1, handout 1-5	Test #3
10.		Chapter 23 - Mergers and Acquisitions Chapter 24 - Enterprise Risk Management	All	6 - 12 1,2,5	
11.		Chapter 24 - Enterprise Risk Management  Chapter 25 - Options and Corporate Securities	25.1-25.8	Case Study - 'Inside Job'  1-8	Test #4
12.		Chapter 25 - Options and Corporate Securities Chapter 26 - Behavioural Finance - Implications for Financial Management	All	9-13  1-9	
13.		The Historical and Cultural Context of		Handouts, case study	

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<b>PROPOSED SYLLABUS—WINTER 2017</b>					
<b>Class</b>	<b>Date</b>	<b>Chapter</b>	<b>Study Objectives</b>	<b>In Class Exercises</b>	<b>Test</b>
		Interest Revisited - Aboriginal Perspectives on Risk and Return Review			
<b>14.</b>		<b>Final Exam</b>			