



**ADVANCED FINANCIAL MANAGEMENT
COMM 420-A1
FALL 2016**

INSTRUCTOR: DR. REZA H. CHOWDHURY
E-MAIL: REZA.CHOWDHURY@UNBC.CA
OFFICE LOCATION: 10-4536
OFFICE HOURS: WEDNESDAY 10:00AM – 11:00AM
TELEPHONE NUMBER: 250-960-6260

CLASS TIME: MONDAY 11:30AM – 2:20PM
CLASS LOCATION: T & L 10-4520
WEBSITE: www.unbc.ca/commerce

Information regarding the School of Business at UNBC can be found at: <http://www.unbc.ca/commerce>

COURSE DESCRIPTION

Intensive treatment is given to selected areas of finance, including elements of both theory and practice with an emphasis on the role of financial strategy in the overall corporate business policy. Emphasis is placed on financial policy and strategy issues through discussion, case analysis and presentation covering a variety of topics. Prerequisite: COMM 320 and COMM 321

COURSE OBJECTIVES

On completion of this course, it is expected that students would be able to apply the skills acquired in a real life situation. Students are therefore expected to rigorously work on individual case studies as if they put themselves in the position of a financial consultant or chief financial officer faced with challenges in financial decision making process in their organizations. In a team format, students will complete several cases in corporate finance covering a wide range of topics including ethical financial decisions, financial forecasting, capital budgeting, capital structure, cost of capital, initial public offerings, dividend policy, and corporate valuation.

REQUIRED TEXTS

1) **Lessons in corporate finance: A case studies approach to financial tools, financial policies, and valuation**, by P. Asquith and L. A. Weiss, Wiley Finance Series, 2016, ISBN # 9781119207412. This textbook is quoted as **AW** in the rest of the syllabus.

2) **COMM 420 Advanced Financial Management Case Study Compilation**, Prepared by Dr. Reza H. Chowdhury, McGraw-Hill Higher Education, ISBN # 9781259370700. E-Book is also available. The book is quoted as **RHC** in the rest of the syllabus. Case studies of this book have been compiled from *Case Studies in Finance: Managing for Corporate Value Creation*, by Bruner, Eades, and Schill, McGraw-Hill, 7th Edition, 2014.

Referred textbook:

Fundamentals of Corporate Finance, by Ross, Westerfield, Jordan, and Roberts, McGraw-Hill Ryerson, 8th Canadian Edition, 2013, ISBN # 9780071051606. This textbook is quoted as **RWJR** in the rest of the syllabus.

Additional materials, if required, will be provided during the class.

COURSE ASSIGNMENTS, EXAMS AND GRADE WEIGHTING

Assessment Items	Due Date	Grade Weight
Case study assignments (4 cases, 10% each)	TBA	40%
Midterm Exam	October 24	20%
In-class case study exercise (1 case study)	November 28	5%
Final Exam (Comprehensive)	TBA	35%
Total	-	100%

COURSE SCHEDULE

Class Dates	Topics	Case studies	Reading materials
Sept 12	Introduction & Understanding firm's financial health	Pinellas Plumbing Equipment and Supply (PIPES)	AW Ch. 1 & 2
		Dell Computer Corp.	Handout
		The Financial Detective, 2005	RHC
Sept 19 & 26	Capital structure	Marriott Corporation & Gary Wilson	AW Ch. 7
		Nike, Inc.	RHC
		Deluxe Corporation	RHC
Oct 3 & 17	Investment decisions	Marriott Corporation & Gary Wilson	AW Ch. 8, 13
		Target Corporation	RHC
		Practice: Ferdinand Gold Mining	RWJR
Oct 24		Midterm Exam	
Oct 31 & Nov 7	Understanding free cash flows and Valuation	The Dollar Store	AW Ch. 20
		Sungreen	AW Ch. 14, 15
		Fedex vs. UPS	RHC
		Ben & Jerry's Homemade	RHC
Nov 14	Mergers and acquisitions	The Dollar Stores	AW Ch. 18 & 21
		Warren E. Buffett, 2005	RHC
Nov 21	Dividend policy	Apple, Inc.	AW Ch. 11
		Gainesboro Machine Tools Corp.	RHC
Nov 28	Initial Public Offerings	JetBlue Airways	RHC
		In-class case study exercise	-
Final Exam (Comprehensive)			

READING MATERIALS

Lectures and class discussions are planned with the assumption that students will complete their readings on time. Notes will be given in each class and all other relevant referred materials (if any) will be posted on Blackboard. Students must need to review supporting materials/reference chapters from AW (mentioned above) on their own for in-depth analysis of each case study.

CLASS ATTENDANCE

All students must need to attend in each class since class participation is mandatory for discussing each week's case study. Class participation includes class presentation and works completed in class. There will be no make-up for missing class works.

CASE STUDY ASSIGNMENTS

- (1) Each team should not be more than three students. All students in each team must need to participate in individual assignments. Participation in *Case Study Assignments* is not optional, and the instructor reserves the right to adjust individual grades on the project to reflect participation. On Nov 28 2016, each team member will be required to submit the "*Peer Evaluation of Participation Form*" confidentially to the

instructor (Form will be uploaded in the Blackboard by Nov 21). The instructor will take the average score of participation and use it as a weight for grading individual score of each team member in *Case Study Assignments*. For instance, each member will provide participation score (out of 100%) for all team members including him/herself. If the average score of participation of a team member X is 98%, and the total mark in case study assignments is 38 out of 40, X will get 37.24 ($=38 \times 98\%$) as his/her individual grade in *Case Study Assignments*. There will be no change in participation score once a student submits the "*Peer Evaluation of Participation Form*" to the instructor.

- (2) A set of questions will be assigned for each *Case Study Assignment* at least a week prior the due date (to be announced in class). Each team will submit their detail works by 11:40 am on due date in class.

No grade will be given for late submission – no excuse will be considered. Assignments sent by E-mail will not be accepted for grading. Adherence to all academic standards and forms is expected. Finally, *Case Study Assignments* are pledged assignments for all team members, and your paper must be original and not reused from any other course.

CONDUCT IN EXAMINATIONS

Students must present appropriate identification upon entering the examination room. Appropriate identification is defined as a UNBC student card and/or some other form of photo identification acceptable to the proctor. The following regulations (Regulation 40 Undergrad Calendar) apply to the conduct of examinations:

- a. Unless decided by the instructor of this specific course, books, papers, or other materials or devices must not be in the possession of the student during an exam. Cell phones, handheld electronic devices or the like must not be in possession of the student in the examination room. Due to the nature of the course, the instructor may allow laptop computer during the exam. Students can carry the financial/scientific calculator; however, students are not allowed to share own calculator(s) with other students. If a student carries any other electronic devices and/or does not comply with the above requirements, 10% will be deducted from his/her final mark (out of 100%) without any excuse.
- b. No candidate is permitted to enter the examination room more than 30 minutes after the beginning of the examination, or permitted to leave within 30 minutes after the examination has started.
- c. Candidates must not communicate in any way with other candidates in the examination room.
- d. Candidates must not leave their seats, except when granted permission by the proctor.
- e. Candidates must turn in all materials, including rough work, upon leaving the examination room.
- f. Food and beverages other than water are not permitted in the examination room.

MISSING A MIDTERM OR EXAM

Advance notice must be given when a student is unable to appear for an examination. Only duly authenticated bereavement, illness and legitimate reasons are admissible justifications for absence from a scheduled examination (e.g. Writing an LSAT or CPA exam and there is a time conflict). If you have missed a quiz or midterm, the student should contact the instructor immediately. Do not schedule travel during the midterm or exam period that may conflict with your midterm and final exam!

IF YOU HAVE MISSED AN FINAL EXAMINATION

Satisfactory explanation, with supporting documentation as appropriate, for any final examination missed must be made by the student or designate to the Office of the Registrar within 48 hours from the time the examination was written. Within 48 hours of receiving a submission, the Registrar or designate may direct the Program under which the course is offered to arrange the writing of a special examination in the case of an examination which was missed. Normally, for explanations of sickness, a doctor's certification is required (Regulation 43. Undergraduate Calendar).

GRADE SCALE

Grading System see website www.unbc.ca/calendar/undergraduate/general/regulations.html

<u>Excellent</u>	A+	=	90-100
	A	=	85-89.9
	A-	=	80-84.9
<u>Good</u>	B+	=	77-79.9
	B	=	73-76.9
	B-	=	70-72.9
<u>Satisfactory</u>	C+	=	67-69.9
	C	=	63-66.9
<u>Marginal</u>	C-	=	60-62.9
	D+	=	57-59.9
	D	=	53-56.9
	D-	=	50-52.9
<u>Failure:</u>	F	=	0-49.9

PLAGIARISM AND ACADEMIC MISCONDUCT

It is the student's responsibility to be aware of UNBC's Academic regulations, policies and procedures as described in Section 45 of the Undergraduate Academic Calendar. Please refer to the UNBC website. <http://www.unbc.ca/calendar/undergraduate/regulations>

A definition of academic misconduct includes:

Cheating (using unauthorized material, information, or study aids in academic exercise), plagiarism, falsification of records, unauthorized possession of examinations, intimidation and any and all other actions that may improperly affect the evaluation of a student's academic performance or achievement, assisting others in any act, submission of the same work for grades in two courses without permission of the instructor or attempts to engage in such acts.

The regulations on plagiarism apply to all materials submitted for a grade: essays, exams, assignments, cases, presentations, quizzes, and practice sets. Any case of suspected academic misconduct will be reported to the campus registrar. If the student is found guilty of academic misconduct there are both grade penalties and disciplinary penalties. Before there is any intention (on your part) or suspicion (on the part of your instructor or your peers) of wrongdoing, please see the instructor to discuss any problems of this nature. If your paper closely resembles a paper from this class or any other class (either written by you or another student, in this semester or any other), this will be considered an infraction of the academic misconduct code.

Respect

Please demonstrate respect to your fellow students who express their thoughts and explore new ideas in the course.

Ethical Standards

The following behaviors are considered unethical:

- Telling the instructor that you "need" a certain grade
- Asking for extra assignments for the purpose of raising a grade
- Asking that the grade be raised because it is very close to the next higher grade
- Asking that the grade be raised because you did very well on one part of the course or grading scheme
- Asking for a higher grade because you don't like the grading scheme
- Asking to be allowed to turn in an assignment/project late - even a few minutes late - because of

- computer or printer problems or any other reason
- Asking to be treated better than other students by making an exception to the rules
- Asking for any other unfair advantage in grading.

Exams

In addition to the above comments on examinations, please see the calendar regarding details on UNBC expectations. Please refer to Section 39 of the Undergraduate Academic Calendar.

Access Resource Centre

If there are students in this course who, because of a disability, may have a need for special academic accommodations, please come and discuss this with me, or contact staff at the Access Resource Centre (arc@unbc.ca) located in the Teaching and Learning Centre, Room 10-1048 on the main campus. Students can also call the ARC at (250) 960-5682. Regional students can call the Centre toll-free at 1(888) 960-5682.

Academic Advising

For academic advising, please contact the Recruitment and Advising Centre, Room 7-714, by email: advising@unbc.ca or via phone at 250-960-6494.

Math Academic Centre for Excellence (MACE)

The Mathematical Academic Centre for Excellence (MACE) is a student-centered space dedicated to students taking math-based courses. MACE is a space for working on problems alone or in groups or for getting help from tutors, teaching assistants, and faculty who are available at scheduled times. MACE tutors can be identified by their green ties embroidered with the MACE frog.

Students go to MACE to do practice problems, work in study groups, do math problems related to science and business courses, receive help, and discuss math concepts. MACE is located in room 10-2088 in the Teaching and Learning building.