

York University
Faculty of Liberal Arts & Professional Studies
Department of Economics
Winter 2022

Course # and Title: AP/ECON 4410.O 3.0 – Corporate Finance

Course Webpage: <https://eclass.yorku.ca>

Professor: Mir Ahasan Kabir
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Lecture: R, 2:30 PM - 5:30 PM (VH 3006)
Virtual office hours: by email appointment only.

Course Description:

The objectives of this course are to provide the conceptual background and analytical framework for corporate financial analysis for corporate value creation purposes. The course covers the fundamentals of the theory of corporate finance and its applications. The topics covered include dividend policy, capital structure, the valuation of corporate debt, other corporate liabilities (including leases) and options, merges, international finance, and financial planning. At the end of this course, students will be able to analyze financing decisions.

Prerequisite: AP/ECON 2300 3.00, AP/ECON 2350 3.00 and AP/ECON 4400 3.00, or equivalents.

Course credit exclusions: AP/ADMS 4540 3.00, GL/ECON 4315 3.00, SB/FINE 3100 3.00.

Course Text/Readings:

Ross, Westerfield, Jaffe, Roberts, and Driss, *Corporate Finance*, 8th Canadian Edition, McGraw-Hill Ryerson, 2019 (RWJRD). The ISBN for the print text is 978-1-259-27011-6, and the digital version is 978-1-259-27010-9.

Evaluation:

Online Quizzes: There are 4 graded quizzes (Quizzes 1- 4). The total worth 15% of your final course grade. There are no make-up quizzes or alternative assignments.

Assignments: There are 2 graded assignments. Each is worth 5%, and the total worth 10% of your final course grade. Should you miss the due dates for the assignments every day will lose one whole percentage of the course.

Term Test: 25% of the course final grade, on the 2nd of March Thursday during the class time, from 2:30 PM to 4:30 PM, 120 Minutes. Under any circumstances, there will be no makeup for missing the term test and weight will automatically be transferred to the final exam.

Final Exam: 50% of the course final grade (To be scheduled by the Registrar's Office between Apr. 12 - Apr. 29) 120 Minutes, comprehensive, covering all course material, with more emphasis on later chapters.

If a student receives a higher grade on the final exam than the term test, the final exam grade will substitute the term test score. In that case, the final exam will be 75% of the final grade.

Grading:

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Assignments and tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.)

Weekly Schedule

Chapter	Topic	Tentative Class Day
11	Risk and Return: The Capital Asset Pricing Model	Jan. 12
12	An Alternative View of Risk and Return: The Arbitrage Pricing Theory	Jan. 19
13	Risk, Return, and Capital Budgeting Quiz 1 based on Ch. 11, 12 and 13 Due Feb. 1 Midnight	Jan. 26
15	Long-Term Financing: An Introduction	Feb. 2
16	Capital Structure: Basic Concepts	Feb. 9
17	Capital Structure: Limits to the Use of Debt Assignment 1 Due Mar. 1 Midnight Quiz 2 based on Ch. 15, 16 and 17 Due Mar. 1 Midnight	Feb. 16
	<i>Reading Week</i>	<i>Feb. 18-24</i>
	<i>Term Test - 25%</i> (Chs. 11, 12, 13, 15, 16 and 17)	<i>Mar. 2</i>
19	Dividends and Other Payouts	Mar. 9
20	Issuing Equity Securities to the Public	Apr. 16
21	Long-Term Debt Quiz 3 based on Ch. 19, 20 and 21 Due Mar. 22 Midnight	
23	Options and Corporate Finance: Basic Concepts	Mar. 23
24	Options and Corporate Finance: Extensions and Applications	Mar. 30
25	Warrants and Convertibles	Apr. 6
26	Derivatives and Hedging Risk Assignment 2 Due Apr. 10 Midnight Quiz 4 based on Ch. 23, 24, 25 and 26 Due Apr. 10 Midnight	
<i>Cumulative</i>	<i>Final Exam 50%</i>	

Note: There may be small changes to the reading list, which will be announced as the course progresses. I may provide additional material during class.

Online Quiz Rules:

- There are 4 graded quizzes (Quizzes 1- 4). Total worth 15% of your final course grade. There are no make-up quizzes or alternative assignments.
- You will have at least 1 week to complete each of the 4 graded quizzes, and they can be accessed from any computer or tablet with an internet connection, anywhere in the world. Accordingly, we do not accept any excuses for missing a quiz.
- Each quiz has 15 multiple-choice questions including numerical and conceptual questions. For each quiz, you have one attempt, and 45 minutes to complete it. You must finish a quiz once you start it.
- Every time a student takes a quiz, new questions are taken from a pool of questions, the order of the questions is scrambled, and the order of the answers is scrambled. Sometimes longer questions require you scroll down to see the entire question. If that is the case, you will see a scroll bar on the right.
- You will receive a score immediately after taking each graded quiz. You will only be able to review each quiz after the due date. To review quiz answers after the due date, click on the Grades tab on the left navigation bar in eClass.

- Do not take any quiz until you have completed reading the assigned chapters and completed as many end of the chapter questions as possible. Doing those problems will dramatically improve your chances of getting a higher score on the quizzes. Remember, you have only one attempt, just like on an in-class test.
- Access all graded quizzes from the links that will appear on the course homepage of eClass. The link will become available approximately one week before the quiz is due.

Exam Rules:

- No student will be allowed to write the exam before the scheduled date.
- No student will be allowed to write the exam to improve the letter grade.
- York University is committed to respecting the religious beliefs and practices of all members of the community. In case, any of the exam dates clash with the day of your religious observance, you are responsible for contacting me at least two weeks in advance. To arrange for an alternative date, you must complete a Religious Accommodation Form (see Important Academic Forms section).
- Cheating and plagiarism are considered to be serious offenses by York University. Please visit the Academic Integrity website <http://www.yorku.ca/acadinte/students/index.htm> to read the Senate Policy on Academic Honesty.
- Cell phones, electronic translators, iPods, MP3 players, and other electronic devices are not permitted into exams. Other permissible items to carry in exams are pens, pencils, student IDs, coats, and purses.

Deferred Final Exam Policy:

Students must fill out the Deferred Standing Mach form (the link to the form will be posted to eClass closer to the exam date) within 7 days of the original exam date. For Fall 2022, no supporting documentation is required. Students who do not submit the Deferred Standing Mach form within 7 days of the missed exam, will receive a zero for their final exam score.

There is only one date for the Deferred Final Exam. It will be held in-person in June 2023, with the exact date being announced in May 2023.

There is only one date for the Deferred Final Exam, which will be during the following semester. The exact date will be announced later. Deferred Standing for the final exam will be considered only under the following circumstances:

1. MEDICAL CIRCUMSTANCES: Exams missed due to medical circumstances must be supported by a York Attending Physicians Statement filled out completely by a medical doctor or licensed psychologist/counselor, dated within 48 hours of the final exam date. The statement must include:

- Full name, mailing address, telephone number of the physician.
- The nature of the illness and its duration (i.e., specific dates covered)
- An indication of whether the illness and/or medication prescribed would have SERIOUSLY affected the student's ability to study and perform over the period in question.

The physician's office may be contacted to verify that the statement was completed by the physician.

2. NON-MEDICAL CIRCUMSTANCES: Exams missed due to non-medical circumstances must be supported by appropriate documentation, i.e., death certificates, obituary notice, automobile accident reports, airline/bus ticket receipt for emergency travel (with the date of booking on the ticket), etc. Airline/train/bus ticket/receipts for emergency travel must indicate destination, departure, and return dates. Having to work at the time of the exam or non-emergency travel are not valid excuses for missing an exam.

Important Academic Forms:

Religious Accommodation: http://registrar.yorku.ca/sites/registrar/files/pdf/exam_accommodation.pdf

Deferred Standing Form: http://registrar.yorku.ca/pdf/deferred_standing_agreement.pdf

Attending Physician's Statement Form: http://registrar.yorku.ca/pdf/attending_physicians_statement.pdf

York's Academic Honesty Policy and Procedures is located on the [York University Senate webpage](#). As per Senate Policy, academic honesty and integrity is defined as conduct that violates the ethical or legal standards of the University community or of one's program or specialization is subject to severe penalties. Students are responsible

for understanding the nature and consequences of these offences, as contained in the Senate Policy on Academic Honesty. More information on academic integrity for students can be found on the following websites:

[York Academic Integrity Website](https://www.library.yorku.ca/web/research-learn/academic-integrity/)

<https://www.library.yorku.ca/web/research-learn/academic-integrity/> and

[Academic Honesty, Senate Policy](https://secretariat-policies.info.yorku.ca/policies/academic-honesty-senate-policy-on/)

<https://secretariat-policies.info.yorku.ca/policies/academic-honesty-senate-policy-on/>

Important Dates

	Winter Term 2022
Last date to add a course without permission of instructor (also see Financial Deadlines)	Jan. 22
Last date to add a course with permission of instructor (also see Financial Deadlines)	Feb. 6
Last date to drop a course without receiving a grade (also see Financial Deadlines)	Mar. 17
Course Withdrawal Period (withdraw from a course and receive a grade of “W” on transcript)	Mar. 18 - Apr. 10

Important Information for Students: All students are expected to familiarize themselves with the following information, available on the [Senate Committee on Curriculum & Academic Standards webpage](#).

- York’s Academic Honesty Policy and Procedures are located on the [York University Senate webpage](#). As per Senate Policy, academic honesty and integrity are defined as conduct that violates the ethical or legal standards of the University community, or one’s program or specialization is subject to severe penalties. Students are responsible for understanding the nature and consequences of these offenses, as contained in the Senate Policy on Academic Honesty. More information on academic integrity for students can be found on the [York Academic Integrity Website](#).
- Ethics Review Process for research involving human participants located using the [Senate Policy Research Involving Human](#)
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities can be accessed using the [Academic Accommodation for Students with Disabilities link](#).
- Information on student conduct standards can be reviewed on the [Code of Student Rights and Responsibilities webpage](#).
- Students requiring religious accommodation should review the Religious Accommodations Guidelines using the [Religious Observance link](#).