

**University of Waterloo**  
**Department of Economics**  
**Econ 371 – Section 1**  
**Business Finance 1**  
**Spring 2012**

**Instructor:** Pirapa Tharmalingam  
**Office:** HH104  
**Classroom:** RCH103  
**Class time:** TWTh 7:00 PM – 7:50 PM  
**Office Hours:** TWTh 7:50PM – 8:50PM or by appointment  
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**Overview:** This course is designed to introduce students to the principles of finance and its applications. Topics covered include: time value of money, valuation of financial assets, capital budgeting and determination of appropriate discount rate. Students are expected to have basic understanding of accounting concepts.

**Required text:** Brealey, Myers, Marcus Maynes, Mitra Fundamentals of Corporate Finance (3<sup>rd</sup> or 4<sup>th</sup> Canadian edition) McGraw-Hill Ryerson. Supplementary material will be given during the course, if and when necessary. Assignments and other material will be posted on D2L website

**Course evaluation:** There will be two assignments (30%), one midterm (30%) and a Final exam (40%).

**Notes:**

Mid- term exam will be written in class on June 21, 2012. There will be no make up for a missed exam. If a valid documentation is provided for missed mid-term, the weight will be shifted to the final exam. Please follow instructions:

([http://www.registrar.uwaterloo.ca/students/accom\\_illness.html](http://www.registrar.uwaterloo.ca/students/accom_illness.html))

Due dates for assignments will be announced in class. Late assignments will not be accepted.

Email communication is reserved for administrative purposes (i.e. missing an assignment etc). Any course related inquiry during the term should be addressed in person. You are expected to attend lectures and keep up with all announcements.

A tentative lecture plan is given below. This is subject to change depending on class progress. Students are encouraged to practice end of chapter problems. Students are expected to be available during the final exam period for Spring Term 2012. Travel plans are not an acceptable ground for granting alternative final exam times: <http://www.registrar.uwaterloo.ca/exams/finalexams.html>

Week	Topic	Chapter (4th ed.)
1	Introduction	Chapter 1, 2
2	Time Value of Money	Chapter 4
3	Time Value of Money	Chapter 4
4	Bond Valuation	Chapter 5
5	Stock Valuation	Chapter 6
6	Net Present Value	Chapter 7
7	Capital Budgeting 1	Chapter 8
8	Capital Budgeting 2	Chapter 9
9	Introduction to Risk and Return	Chapter 10
10	Risk and Return Continued	Chapter 11
11	The Cost of Capital	Chapter 12

**Note on avoidance of academic offences:** All students registered in the courses of the Faculty of Arts are expected to know what constitutes an academic offence, to avoid committing academic offences, and to take responsibility for their academic actions. When the commission of an offence is established, disciplinary penalties will be imposed in accord with Policy #71 (Student Academic Discipline). For information on categories of offences and types of penalties, students are directed to consult the summary of Policy #71 which is supplied in the Undergraduate Calendar (section 1; on the Web at <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>). If you need help in learning how to avoid offences such as plagiarism, cheating, and double submission, or if you need clarification of aspects of the discipline policy, ask your TA or course instructor for guidance. Other resources regarding the discipline policy are your academic advisor and the Undergraduate Associate Dean." "Students who believe that they have been wrongfully or unjustly penalized have the right to grieve; refer to Policy #70, Student Grievance, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>." "How to Avoid Plagiarism and Other Written Offences: A Guide for Students and Instructors" - To <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

**Note for students with disabilities:** The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term