

Econ 371-Business Finance 1
Department of Economics, University of Waterloo
Winter 2018

Instructor	Arash S. Dahaj, PhD
Contact	Office: CPH 4336 Email: arash.soleimanidahaj@uwaterloo.ca
Lectures	Mondays 6:30 – 9:20pm, CPH 1346 (computer lab)
Office hours	Mondays 5.30 - 6.20pm (Or send an email for appointments)

Overview of the course:

The purpose of this course is to provide students with principles of corporate finance and their applications. The key concepts and topics to be covered include: time value of money, Evaluation of Investment Opportunities, capital budgeting, cost of capital, risk and return, and valuation of securities. Students will learn how to apply these concepts to real world problems using various examples and case studies.

Required text:

Simon Benninga, Tal Mofkadi; Principles of Finance with Excel, Oxford University Press; 3rd edition. ISBN-13: 978-0190296384

Grading:

Assignments	15%
Case Study Project	15%
Midterm Exam	30%
Final Exam	40%
Bonus Activities (in-class) (up to 10%)	

Event Schedule (Tentative):

Event	Date	Note
assignment 1	Jan 29	due on Feb 11
midterm exam	Monday Feb 12	in-class, CPH 1346
assignment 2	March 12	due on March 25
final exam	<i>TBA (Apr 9-24)</i>	during final exam period

- The grading structure of this course is: Two assignments, a case study project, and two exams. The guidelines and due dates will be announced during the lectures.
- The final exam is comprehensive and covers all the course material.

Communication:

- All communications of this course will be done through UW Learn (D2L). Your marks for assignments, quizzes, and exams will be posted on UW Learn (D2L).
- If you have any issues during the term (e.g., lecture speed, exam questions, or personal issues) feel free to contact me.

Missed examinations due to illness

- If you miss the first exam due to a legitimate reason and upon my consent, its weight goes to the 2nd exam. My consent is based on tangible evidence.
- Medical notes must use the UW Verification of Illness form, which is the only official and accepted document for illness related issues:
<https://uwaterloo.ca/campus-wellness/sites/ca.campus-wellness/files/uploads/files/VIF-online.pdf>
- Deferred Final Exam Policy at Economics Department can be found here:
<https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

Tentative Course Schedule, Winter 2018

Month	Week No.	Topics	Chapter (3 rd ed.)	Note
JAN	1	Introduction Time Value of Money	1,2	
	2	Time Value of Money	2	
	3	Loans and Amortization	4	
	4	Effective Interest Rates	5	
FEB	5	Security Valuation Principles Bond Valuation Basics	14 15	
	6	Stock Valuation Basics	16	Assignment 1 Due Feb 11 th
	7			Mid-Term Week
	8			Reading Week
MAR	9	Measures for Evaluation of Investment Opportunities	3	
	10	Capital Budgeting 1	6	
	11	Capital Budgeting 2	6	
	12	Risk Statistics of Portfolios	7 8	
	13	Portfolio Diversification	9	Assignment 2 Due Mar 25 th

Other notes:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. [Check www.uwaterloo.ca/academicintegrity/ for more information.]

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70, Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm. When in doubt please be certain to contact the department's administrative assistant who will provide further assistance.

Discipline: A student is expected to know what constitutes academic integrity [check www.uwaterloo.ca/academicintegrity/] to avoid committing an academic offence, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course instructor, academic advisor, or the undergraduate Associate Dean. For information on categories of offences and types of penalties, students should refer to Policy 71, Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm. For typical penalties check Guidelines for the Assessment of Penalties, www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm.

Appeals: A decision made or penalty imposed under Policy 70 (Student Petitions and Grievances) (other than a petition) or Policy 71 (Student Discipline) may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72 (Student Appeals) www.adm.uwaterloo.ca/infosec/Policies/policy72.htm.

Note for Students with Disabilities: The Accessibility Services, located in Needles Hall, Room 1401, 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 Accessibility Services at the beginning of each academic term.