
BAFI 580A: FUNDAMENTAL FINANCE

*Program: Full-time MBA
Course Outline*

COURSE INFORMATION

Division: Finance

Period: Period 2

Instructor: Glen Donaldson

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Phone: 604-822-8344

Office hours: MW 10-12, and by appointment

Teaching Assistant: TBA

Credit Value: 1.5

Section number: 001

Class meeting times: M/W 8:00 AM – 10:00 AM

Course duration: October 29 – December 8, 2018

Pre-requisites:

Tutorials/labs:

Course website: Canvas

BRIEF COURSE DESCRIPTION

Fundamental Finance is targeted at students who do not wish to specialize in Finance but still desire a fundamental understanding of key issues in financial management. Topics include:

- the time value of money and corporate investment decisions
 - methods of business financing including debt and equity
 - the valuation of financial instruments including stocks and bonds
 - the nature of risk and return in investments and the trade-offs between risk and return
 - risk management fundamentals
 - roles of financial institutions including banks
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COURSE GOALS

This course provides a high-level investigation of fundamental aspects of finance, targeted at non-financial managers. Students who desire a deeper investigation of the type of topics covered in this course should take both BAFI 500 (corporate finance) and BAFI 511 (investments) rather than this course.

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COURSE MATERIALS

1. Textbook:
Fundamentals of Corporate Finance, Second Canadian Edition
By Jonathan Berk, Peter DeMarzo, Jarrad Harford, David Stangeland and Andras Marosi
Pearson Canada 2017
2. Practice tutorials: Myfinancelab (access is acquired when purchasing the textbook)
3. Selected readings: Readings may be assigned from newspapers, magazines, journals, books, and online sources as the class progresses. Such additional readings will be selected during the class in order to use the most up-to-date and topical material.

ASSESSMENT

Midterm Exam	40%
Final Exam	50%
Participation	10%

Classes consist primarily of lectures and class discussions. Practice problems are available on Myfinancelab. Students will be responsible for understanding lecture material, demonstrated by way of mid-term exam and final exam, and engaging in class discussions.

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SCHEDULE

A provisional course schedule is below.

Students read introductory material in Chapters 1 and 2 before the first class.

Class#	CLASS TOPICS	ACTIVITIES / READINGS	WHAT'S DUE
Week 1	Core concepts in financial decision making: valuing investment projects, bonds and stocks	Ch 3,4(half),5,6,7(half)	
Week 2	Investment decisions, debt, equity and financing decisions	Ch 7(half),8,14,15,22(half)	
Week 3	Applications in corporate finance and investments, and synthesis	Current events analysis, synthesis	Midterm exam
Week 4	The nature of risk and return, diversification, capital costs	Ch 10,11,12(half)	
Week 5	Financial institutions, cash management, risk management	Ch 1,13(half),19,21, synthesis	
Week 6	Final exam period		Final exam

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COURSE AND INSTITUTIONAL POLICIES

Attendance: As per RHL policy on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student's transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL policy on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL policy on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC INTEGRITY

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student's responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC's procedures for Academic Misconduct. In addition to UBC's Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL's policy on Academic Integrity.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.