

COURSE INFORMATION

Course title:	Fundamental Finance	Credits:	1.5
Course code:	BAFI 580A	Class location:	HA133
Session, term, period:	2019 W1, P2	Class times:	MW 8:00-10:00
Section(s):	001	Pre-requisites:	None
Division:	Finance	Co-requisites:	None
Program:	MBA		

INSTRUCTOR INFORMATION

Instructor:	Professor Glen Donaldson	Office Location:	HA881
Phone:	604-822-8344	Office hours:	By appointment
Email:	glen.donaldson@sauder.ubc.ca		

COURSE DESCRIPTION

This course investigates topics fundamental in corporate finance and investments, including:

- the time value of money and corporate investment decisions
- methods of business financing and fundamental concepts in capital budgeting and capital structure
- the valuation of financial instruments including stocks and bonds
- the nature of risk and return in investments and trade-offs between risk and return
- derivatives, insurance, and risk management fundamentals
- roles of financial institutions, including banks, in corporate finance and investments

NOTE: This course is targeted at students who desire a fundamental understanding of core issues in corporate finance and investments, but do not plan to specialize in finance. Students who desire a deeper investigation of such issues, and who plan to follow the finance track and take subsequent advanced courses in finance, should take both BAFI 500 (which focuses largely on core corporate finance topics) and BAFI 511 (which focuses on investments and asset pricing), rather than BAFI 580A.

COURSE FORMAT

Classes consist primarily of lectures, and discussions in which students are expected to participate. Students are also expected to work through applied problems outside of class.

LEARNING OBJECTIVES

By the end of this course, students should be able to analyze, apply and explain fundamental issues, concepts and methods in finance.

ASSESSMENTS

Midterm quiz	40%
Final exam	50%
Class participation	<u>10%</u>
Total	<u>100%</u>

LEARNING MATERIALS

Textbook: *Fundamentals of Corporate Finance, Third Canadian Edition*, by Jonathan Berk, Peter DeMarzo, Jarrad Harford, David Stangeland and Andras Marosi. Pearson Canada 2020

Other Learning Resources: MyFinanceLab (access is acquired when purchasing the textbook) – contains practice problems. MyFinanceLab Course ID: **donaldson77423**

COURSE-SPECIFIC POLICIES AND RESOURCES

Missed or late assignments, and regrading of assessments

Late submissions, or missed exams/quizzes, will receive a grade of zero unless academic concession is granted (see below).

Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

Attendance

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

Punctuality

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

Electronic Devices

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School's policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students' use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

Citation Style

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

Academic Integrity

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President’s Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

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All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.

ACKNOWLEDGEMENT

UBC’s Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

COURSE SCHEDULE

(Subject to change)

Class	Topics	Readings /Activities	Assessments
Week 1	Core finance concepts: Time value of money, valuing projects, bonds and stocks	Ch 3, 4 (first half), 5, 6, 7 (first half)	
Week 2	Finance decisions, debt/equity, interest rates and exchange rates, efficiency	Ch 7(second half), 8,14,15,22(half)	
Week 3	Applications and synthesis	in-class problems/analysis	Quiz
Week 4	The nature of investment risk and return, diversification, Capital Asset Pricing Model	Ch 10,11,12(half)	
Week 5	Financial institutions, cash management, derivative securities, insurance, fundamentals of risk management	Ch 1, 13(half), 19, 21	
Week 6	no classes, final exam period	Final Exam	Exam