



# MASTER OF FINANCE

## Foundations of Finance 1

Summer/Fall Term 2010

Instructor: Laurence Booth , Room 449  
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### Course Scope and Mission

This is a basic course in business finance designed to provide the core skills necessary to complete more advanced work in finance.

### Required Readings

We will be using material from Laurence Booth and Sean Cleary, Introduction to Corporate Finance, (2<sup>nd</sup> edition) John Wiley and Sons 2010. Additional material will be posted on the Rotman Portal as needed.

### Evaluation and Grades

Two group assignment (groups of 2):	40%
Mid Term exam:	60%

### Assignment Submission

The first assignment will be submitted as hard-copy directly to the instructor on the due date, the second to the MFIN office. Students are required to use the MFin Assignment Cover Sheet Template (available on RWorld) and all group members must sign the cover sheet. There will be a late submission penalty of 10% per (partial) week.

## Class Schedule & Overview (dates provisional)

### Class Date

1	Aug 25,	Organisation of Markets (C 1-2)
2	Aug 28,	Bank of Canada and Overnight Rate (readings)
3	Aug 28,	Fixed Income Models (C 5-6 & 18)

### First Assignment Due September 8: Hand in at start of class

4	September 8,	Discounted cash Flow Models (C7 and C19 & 20 (bits))
5	September 15,	Portfolio Construction (C-8 &9)
6	September 18,	Market Efficiency and Fama French (C-10)
7	September 22,	Option Pricing (C-12)

### September 29 Mid-term exam

8	October 2,	Cost of Capital & Financial Structure (C17, C21 & C22)
9.	October 13,	Financial Analysis (C-3-4)

Second Assignment due November 6. The instructor (or Jenny) will pick it up at the start of your macro class.

Suggested readings will be assigned the prior week and posted on the portal .

## Academic Honesty & Student Conduct

The University of Toronto (UofT) and the Rotman School of Management have developed policies to provide guidance and direction on a host of academic and non-academic activities that may impact the teaching, research and learning activities and the general development of the UofT Community.

In relation to academic integrity and conduct, students are guided by the University of Toronto Code of Behaviour on Academic Matters and the Rotman Code of Learning and Rotman Code of Integrity.

The University of Toronto Code of Behaviour on Academic Matters provides definitions of offences, that may be committed by student members and which are deemed to affect the academic integrity of the University's activities. The U of T Code of Behaviour on Academic Matters ("Code") applies to all Rotman students. The Code prohibits all forms of academic dishonesty including, but not limited to, cheating, plagiarism, and the use of

unauthorized aids. Students violating the Code may be subject to penalties up to and including suspension or expulsion from the University. A copy of the Code may be found at [www.utoronto.ca/govcncl/pap/policies/behaveac.html](http://www.utoronto.ca/govcncl/pap/policies/behaveac.html)

The Rotman Code is intended to supplement the U of T Codes, and support the development of the Rotman community by providing specific guidelines for appropriate behaviour at the School.

### **The Rotman Code of Learning**

Students will invest themselves fully in the graduate experience by adopting the attitude of a learner. All students are expected to do their best to:

- Prepare thoroughly for class
- Make every effort to attend every class
- Arrive on time
- Notify the professor in advance of anticipated absences, late arrivals or early departures
- Participate actively in class discussions
- Use technology in class only as it is relevant to the material being discussed
- Recognize that the classroom is a special environment in which learning is the central goal
- Recognize that the classroom is the domain of the professor who may establish specific expectations of students

### **The Rotman Code of Integrity**

Students will conduct themselves with the utmost integrity during their time at Rotman and, without limiting the foregoing, will:

- Submit only original work, giving credit to others where appropriate;
- Neither give nor receive unauthorized aid in examinations or on assignments;
- Contribute substantially and proportionally to each group assignment;
- Ensure enough familiarity with the entire contents of group assignments so as to be able to sign off on them as original work;
- Accept and acknowledge that assignments found to be plagiarized in any way will be subject to sanctions under the University's Code of Behaviour on Academic Matters;
- Represent themselves honestly to members of the Rotman community and to outsiders; and
- Represent Rotman appropriately to the outside world.