

**COURSE CODE:** BUAD 461

**COURSE TITLE:** Applied Corporate Finance

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### **Calendar Description**

This course uses the case method to build on concepts learned in earlier finance courses by applying those concepts to specific finance problems in a real business setting. Through the discussion of key concepts such as cost of capital, capital budgeting, optimal capital structure, financing alternatives and business valuation, students learn the analytical techniques necessary to make rational financial decisions.

**Prerequisite(s):** BUAD 196, BUAD 264 and BUAD 296

**Co-requisite(s):** BUAD 340

**Prerequisite For:** None

**Substitutable Courses:** None

**Graduation Requirement:** Elective - BBA, Finance

**Transfer Credit:** N/A

**Special Notes:** N/A

**Credits:** 3

**Hours per Week:** 3

**Originally Developed:** April 2013

**EDCO Approval:** April 2013

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**CHAIR'S APPROVAL:** 

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## Learning Outcomes

- Outcome Upon completion of this course students will be able to:
- 1 **Complete** complex financial analyses, including calculation of appropriate ratios and preparation of common size statements, related to assigned case scenarios dealing with adequacy of working capital, sustainable growth, reasonability of sales forecasts and similar topics.
  - 2 **Calculate** the cost of capital for both private and public corporations using data from cases and from publicly available financial reports in order to identify the most appropriate variables for the calculation.
  - 3 **Apply** net present value techniques in complex capital budgeting case scenarios in order to evaluate and justify capital investment decisions.
  - 4 **Based** on best practices, evaluate capital structure decisions in case scenarios dealing with topics such as dividend policy, share repurchase decisions, impact of changing leverage and optimal capital structure.
  - 5 **Using** Excel as a tool, develop models of free cash flow forecasts and use these models to evaluate various scenarios in assigned business cases.
  - 6 **Apply** specified techniques in cost of capital calculations and free cash flow modeling to valuation decisions associated with assigned cases related to private equity
  - 7 **Integrate** complex financial analysis within a broader framework of strategic analysis.
  - 8 **Present** verbal and written case presentations based on the standards provided.

## Course Objectives

- Objectives This course will cover the following content:  
See weekly course schedule below

## Professors

Name	Phone Number	Office	Email
Graham Moir (Course Captain)	ext. 4328	K-C111	<a href="mailto:gmoir@okanagan.bc.ca">gmoir@okanagan.bc.ca</a>

## Evaluation Procedure

### Individual Component:

Individual Case Analysis & Write-up	10 %
Mid-term Exam	35 %
Final Exam	35 %

### Group Component:

Case Presentations	20 %
<b>Total</b>	<b>100 %</b>

In this course, it is expected that Artificial Intelligence (AI) will not be used to produce content for presentations or reports. The cases in this course are copyright material and shall not be entered into AI tools.

## Required Materials

### REQUIRED TEXTS:

N/A

### RECOMMENDED SUPPLEMENTARY TEXT:

Foundations of Financial Management, any Canadian Edition, Block, Hirt & Short (Text from Buad195/296). (Past students have found it useful to keep their Block text from Buad195/296 to review concepts as necessary.

However, it is not necessary to buy this text if you don't have a copy - the required texts will be sufficient)

### OTHER REQUIREMENTS:

A financial calculator will be required for every class - Texas Instruments BAI+ recommended.

Cases frequently require analysis using a spreadsheet program such as Excel and students will be expected to use laptops/tablets in class from time to time to work on Excel files.

## Notes

## Course Schedule

(Subject to change at the discretion of the professor)

Date		Topic	Textbook
2024 Week of:		Wednesday, September 4th, First day of class Friday, September 13th, Last day to register for Fall 2024 Monday, September 30th, Statutory Holiday (no classes) Monday, October 14th, Statutory Holiday (no classes) Friday, October 25th, Last day to withdraw from class without academic penalty Monday, November 11th, Statutory Holiday (no classes) Friday, December 6th, Last day of class Tuesday, December 10th – Friday, December 20th, Final Exam Period	Case:
Sep 6	1	Course Introduction	
Sep 13	2	Financial Statement Analysis	Channel Lighting
Sep 20	3	Credit and Risk Assessment	Puget Air
Sep 27	4	Cost of Capital	Energy Flows
Oct 4	5	Cash Flow Forecasting	Diavik Diamond Mines
Oct 11	6	Capital Structure	Andrew Peller
Oct 18	7	Midterm Exam	
Oct 25	8	Midterm Exam Review	
Nov 1	9	Valuation	Dunkley Lumber
Nov 8	10	Mergers & Acquisitions	Helijet
Nov 15	11	Private Equity and Venture Capital	CloudMD
Nov 22	12	Early Stage Companies and Exits	LogiAI - Stage 1
Nov 29	13	Early Stage Companies and Exits	LogiAI - Stage 2
Dec 6	14	Final Exam Preparation	

## Skills Across the Business Curriculum

The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

## Student Conduct and Academic Honesty

### What is the Disruption of Instructional Activities?

At Okanagan College (OC), disruption of instructional activities includes student “conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC”, as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

### What is Cheating?

“Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination.”

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

### What is Plagiarism?

Plagiarism is defined as “the presentation of another person’s work or ideas without proper or complete acknowledgement.” It is the serious academic offence of reproducing someone else’s work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

“Intentional plagiarism is the deliberate presentation of another’s work or ideas as one’s own.” Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

“Unintentional plagiarism is the inadvertent presentation of another’s work or ideas without proper acknowledgement because of poor or inadequate practices. Unintentional plagiarism is a failure of scholarship; intentional plagiarism is an act of deceit.”

### What are the Students’ Responsibilities to Avoid Plagiarism?

Students have a responsibility to read the OC Plagiarism Policy and Procedures outlined in the OC calendar, which is available in online format [www.okanagan.bc.ca](http://www.okanagan.bc.ca). Students must acknowledge the sources of information used on all their assignments. This usually involves putting the authors’ name and the year of publication in parentheses after the sentence in which you used the material, then at the end of your paper, writing out the complete references in a Reference section.

“Students are responsible for learning and applying the proper scholarly practices for acknowledging the work and ideas of others. Students who are unsure of what constitutes plagiarism should refer to the UBC publication “*Plagiarism Avoided; Taking Responsibility for your Work*”. This guide is available in OC bookstores and libraries.

Students are expected to understand research and writing techniques and documentation styles. The Okanagan School of Business requires the use of the APA or MLA style, but suggests that students cite references using the APA guidelines (see Publication Manual of the American Psychological Association, 6<sup>th</sup> edition (2009)). A copy of the APA manual is available in the reference section and also available for circulation from OC libraries. The library website has access to these two major citing styles.

### What are the Penalties for Plagiarism and Cheating?

The Okanagan School of Business does not tolerate plagiarism or cheating. All professors actively check for plagiarism and cheating and the Okanagan School of Business subscribes to an electronic plagiarism detection service. All incidents of plagiarism or cheating are reported and result in a formal letter of reprimand outlining the nature of the infraction, the evidence and the penalty. The Dean of the Okanagan School of Business and the Registrar record and monitor all instances of plagiarism and cheating. Penalties for plagiarism and cheating reflect the seriousness and circumstances of the offence and the range of penalties includes suspension from OC.