



**Master of Management  
FNCE 674 L01 & L02  
Special Topics in Finance**

**Course Outline Part A – Winter 2025, Q4  
5 pages**

<b>Instructor</b>	Peggy L. Hedges
<b>Telephone</b>	403.220.3353
<b>Office</b>	SH 144
<b>Email</b>	<a href="mailto:hedges@ucalgary.ca">hedges@ucalgary.ca</a>
<b>Office hours</b>	By appointment only
<b>Website</b>	<a href="http://d2l.ucalgary.ca">http://d2l.ucalgary.ca</a>
<b>Lecture location</b>	MTH 445
<b>Lecture times</b>	L01 T 09:00 – 11:50 L02 T 14:00 – 16:50
<b>Tutorials</b>	T01 T 08:00 – 08:50 T02 T 13:00 – 13:50

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**Course Description** Students will resume their study of the basic analytical tools and theoretical foundations for financial decisions. Topics include financial markets and instruments, valuation of assets and projects under certainty and uncertainty, development of portfolios, corporate financing policy and financial risk management.

**Course Objectives** The objective of this second course is not to make you a financial specialist. As with FNCE 672, the focus is on understanding the financial issues and alternatives available and learning only the most basic analytical tools for dealing with them. We will continue to emphasize three financial implications of every decision that is made: profitability, financing needs, and risk. By the end of this course, students will be able to:

1. Identify, calculate, and evaluate appropriate measures of risk for various investments and portfolios of investments
2. Evaluate a corporate investment opportunity and a firm's capital structure
3. Contrast the main capital allocation opportunities available to a corporate manager
4. Value various financial investments and transactions
5. Critique a firm's governance ecosystem and make recommendations
6. Navigate an ethical dilemma in a finance context

**Textbook and/or Other Materials** We will use one chapter from the Higgins, Koski, Mitton (RH), Analysis for Financial Management, 13th edition, McGraw-Hill/Irwin, New York, 2023. You may find it useful to reread certain sections of the chapters used in FNCE 672.

Required cases are posted on D2L. Any supplementary readings can be accessed through the University Library or directly from HBR (3 free articles).

### Class Preparation & Desire2Learn (D2L)

Class will be most beneficial when you come prepared and are prepared to contribute. Classes cover the concepts and financial theory while the cases help you to use those concepts to develop a coherent and defensible solution. Issues in business are rarely black and white, and they rarely are limited to one specific problem.

Your willingness to participate will enhance your learning and the learning of others. If there is not a willingness to participate, be prepared for “cold calling.” We discuss managerial incentives and cold calling can be a great way to incentivize preparation.

Please attend each class, arrive on time, and minimize disruptions – in business, poor behaviour would not be tolerated for any length of time or with any degree of frequency.

Important information and additional readings are posted on D2L. *Your instructor may not necessarily cover all of the materials in the module, it is your responsibility to understand the concepts presented in the materials assigned and lectures. If you are unsure of any of the concepts, please take the initiative to ask the instructor during class.*

### Course Workload

Generally, it is understood that students should spend two hours per week outside of class time for every hour of lecture. Students should expect to spend approximately **9-10 hours** per week on each course (doing work and attending lectures). This may vary by week depending on both the assessment schedule and on your ability to manage time.

### Grade Scale

The Haskayne School of Business endeavours to ensure consistency of final grades across courses and sections. Variations in distribution will always be considered by the instructor where called for by the performance in each individual class. The student does not have any ‘right’ to a certain grade, but is responsible for earning grades. The instructor has unfettered discretion to evaluate student performance and assign all grades.

Grade		Percentage Score	Grade Point Value	Description	Approx. Distribution in class:
A+	≥	95.0	4.0	Outstanding/exceptional performance	Up to 20%
A	≥	90.0	4.0		
A-	≥	85.0	3.7	Consistent, very high quality work	30-50%
B+	≥	80.0	3.3	Good performance	30-50%
B	≥	75.0	3.0	Basic competence	
B-	≥	70.0	2.7	Marginal performance, defined as having gaps in basic competence	Up to 10%
C+	≥	65.0	2.3	All grades below B- are indicative of failure at the graduate level and cannot be counted toward the course requirements.	
C	≥	60.0	2.0		
F	≥	0%	0		

**Note:** See the “[Academic Standing](#)” section of the Faculty of Graduate Studies Calendar regarding grades less than B-.

There is no requirement to pass any particular component in order to pass the course. There are no “do-overs” or additional work for extra grades in this course.

While I am sympathetic to students who are close to a particular cut off point, for the same reason someone who gets 90.01 will not have their "A" grade removed, someone who gets 89.99 will not be "bumped up" to an "A" grade. You know now, at the start of

the course, what percentage is necessary to achieve the grade you desire, study hard and earn it.

## Course Deliverables

Assessment method	Description	Weight	Date	Course Outcomes Assessed
Case write-ups	Nike CoC Invest or Take	5% 5%	March 11 April 01	1,2 1,6
In-class exercises/activities	Risk Portfolio Sim Nike CoC Winfield Cap str/Derivatives Resource Alloc Compensation	10% 5% 10% 5% 5% 10% 5%	March 04 March 04 March 11 March 18 March 25 April 01 April 08	1 1,4 1,2,3 1,2,3,4,5 1,2,3 5,6 5,6
Quiz #1	Project valuation	10%	March 11	1,4
Quiz #2	On Week 2	10%	March 18	1,2,3
Quiz #3	On Week 3	10%	March 25	1,2,3,4,5
Final quiz	Comprehensive	10%	April 08	1,2,3,4,5,6
	<b>Total</b>	<b>100%</b>		

## Missed Assessment Policy

Students must coordinate with the instructor to seek a deferral for missed work during the term, including quizzes, assignments, and exams. Typically, deferrals are only granted in cases of illness, domestic affliction, or religious conviction, and are entirely at the discretion of the instructor. If a deferral is granted, the instructor will require a make-up assessment to be completed.

## Late Policy

Late assignments will be subject to a penalty of 50% per full or partial day, including weekends and holidays. An assignment submitted two or more days after the due date will not be graded and the student will be assigned a grade of 0%. Turning in an in-class assignment late will result in a grade of zero.

## Class Participation & In Class Exercises

Each class period has at least one graded in-class assignment/exercise. You may be asked to complete these individually or as a group.

There are no grades for class participation but constructive involvement and contribution to class discussion is encouraged. In the future, you will need to be able to converse with potential investors and management.

## Case Write Up

Case write-ups are due PRIOR to the beginning of the class in which the case will be discussed. Pay attention to the instruction sheet for the case, most often you will need to submit HARD COPY (this means electronic submissions will NOT be accepted).

## Valuation Quiz

This will be a valuation problem requiring you to evaluate a project that a company is considering. Further details for preparation, including resources allowed, will be given in the March 4 class session.

## Quizzes

Are individual, closed book, no additional resources allowed. The final quiz will be comprehensive, details for preparation will be given in the April 1 session.

<b>Assessment of Writing</b>	Writing skills are not exclusive to English courses and, in fact, should cross all disciplines. The University supports the belief that throughout their University careers, students should be taught how to write well so that when they graduate their writing abilities will be far above the minimal standards required at entrance. Consistent with this belief, students are expected to do a substantial amount of writing in their University courses and, where appropriate, members of faculty can and should use writing and the grading thereof as a factor in the evaluation of student work. The services provided by the Writing Support, part of the Student Success Centre, can be accessed by all undergraduate and graduate students who feel they require further assistance. In this course, any items requiring writing will be assessed as part of your grade.
<b>Tutorials</b>	Please see the course schedule.
<b>Activities Outside of Class Time</b>	I expect students to engage in team building activities with their group members and cohort in general. Please make plans to meet your classmates for a walk, a coffee, an activity. Feel free to invite me too.
<b>Email Communication</b>	<p>Please specify the course name and section number at the <b><u>beginning, or start</u></b>, of the subject line of all emails (FNCE 674 L01 or FNCE 674 L02). I do not respond to emails that do not contain this information. I usually respond to within two business days.</p> <p>Although email is commonly used by students to communicate with their instructors, it does limit the effectiveness of communication and may not be the best way for me to answer student questions. If I feel that communicating via email is not optimal, I may request a telephone call or personal meeting.</p>
<b>Internet &amp; Communication Devices</b>	You should try to minimize distractions by not surfing of the Internet during lectures and using any electronic devices (e.g., cellular phones/smartphones) for non-class purposes. Individuals distracting others (including the instructor) will be asked to leave the class.
<b>Academic Integrity and Rigor</b>	Academic integrity and rigor are critical components of a University degree. Academic integrity is the foundation of the development and acquisition of knowledge and is based on values of honesty, trust, responsibility, and respect. The Haskayne School of Business values ethical leadership and personal integrity, and expects its faculty, staff, and students to live these values. Certain additional measures will be put in place to help safeguard the integrity of online assessments and the intellectual property of the instructors.
<b>Attendance and Engagement</b>	<p>Active engagement in class and with course material is essential in any course. Whether we are in person, or in an on-line environment, students must take increased ownership of their learning.</p> <p>If it appears that you are not actively engaged in the class (for example, not responding to the instructor, not joining discussion groups, etc.), your instructor reserves the right to ask you to leave the class or session.</p>
<b>Course Outline Part B</b>	<p>The Course Outline Part B contains more generalized information for Haskayne and the University. You are responsible for reading and understanding all content in both parts of the outline.</p> <p>Part B can be found <a href="#">here</a></p>

## Class Schedule & Topics

Please note that lecture topics and readings are tentative and subject to change. The dates of assessments will not be changed.

Important dates (e.g. Block Week, Lecture start dates, Reading Week, etc.) can be found at the following web site: <https://calendar.ucalgary.ca/acadsched>

COURSE SCHEDULE FNCE 674			
DATE	DETAILS	Class Preparation (readings, reviews, etc.)	Deliverables
	<b>OPTIONAL TUTORIAL</b>	<b>Come visit Peggy</b>	BYOBevy
Mar 04 Week 1	Risk/return/CAPM Sources of Financing Leverage and Risk Portfolio simulation	Day 1 PR & ppts	In class, group (10%)  In-class, group (5%)
	<b>TUTORIAL</b>		
Mar 11 Week 2	Cost of Capital  Valuation quiz	Day 2 PR & ppts Nike Higgins Chapter 6	Case write-up due Nike (5%) In class exercise (10%)  Quiz #1 in computer lab (10%)
	<b>TUTORIAL</b>		
Mar 18 Week 3	Capital Structure Dividend Policy	Day 3 PR & ppts Winfield Higgins Chapter 6	In class exercise (5%) In class quiz (10%) #2 - Week 2 material
	<b>TUTORIAL</b>		
Mar 25 Week 4	Derivatives and Hedging	Day 4 PR & ppts	In class exercise (5%) In class quiz #3 (10%) - Week 3 material
	<b>TUTORIAL</b>		
Apr 01 Week 5	Ethics and governance	Day 5 PR & ppts Invest or take: a VC's ethical dilemma	Case discussion and write-up, in class (5%)  In class activity (10%)
	<b>TUTORIAL</b>		
Apr 08 Week 6	Ethics and governance  Wrap up and review	Day 6 PR & ppts Costly train ride	In-class activity (5%)  Final quiz (10%) comprehensive