

MAY - 6 1997

COURSE OUTLINE

COURSE NAME Working Capital ManagementCOURSE NUMBER FMGT 2540 DATE March 1997Prepared by Graham R. Hughes Taught to 1st YearSchool BusinessProgram Financial ManagementTerm 2B Hrs/Wk 3 No. of Weeks 10Instructor(s) Graham Hughes / Dick Dolan / Lisa Pankratz Office SE6-318/339/379Local 6841/6757/6751 Office Hours Posted at officePREREQUISITES (Not applicable)COURSE OBJECTIVES

(Upon the successful completion of this course, the student will be able to:)

1. Have a basic understanding of the principles underlying the management of a firm's liquidity.
2. Identify the strengths and weaknesses of the working capital policy of a firm.
3. Have a basic understanding of financial ratio and trend analysis, including the Du Pont Identity.

EVALUATION

Final Examination	45%
Mid-Term	35%
Projects	15%
Participation	5%

REQUIRED TEXT(S) AND EQUIPMENT

There is no required text for this course.

Notes, handouts, etc. will be done throughout the course during the lectures and labs.

Looseleaf workbook for assignments.

REFERENCE TEXTS AND RECOMMENDED EQUIPMENT

Accounting the Basis for Business Decisions. Meigs, Meigs & Lam. McGraw-Hill Ryerson
(Chapter 20).

Credit and Collections in Canada. R.W. Jackson.

Short Term Financial Management. Terry S. Maness. McGraw-Hill.

Periodicals:

Journal of Cash Management
Financial Management

COURSE SUMMARY

This is an introductory course for first year financial management students to provide them with a basic understanding of the major aspects of working capital management.

COURSE OUTLINE
(continued)

Lecture	Material Covered	References
1	<ul style="list-style-type: none"> • Introduction • Financial Statement Analysis • Strategies — An Overview 	
2	<ul style="list-style-type: none"> • The Operating and Cash Cycles • Receivables Management <ul style="list-style-type: none"> ▸ Credit Policy ▸ Collection Policy ▸ Analyzing Changes in Credit Policy 	
3	<ul style="list-style-type: none"> • Inventory Management <ul style="list-style-type: none"> ▸ Costs of Inventory ▸ Setting an Inventory Policy ▸ Planning Models 	
4	<ul style="list-style-type: none"> • Cash and Marketable Securities <ul style="list-style-type: none"> ▸ Cash Management ▸ Cash Budget ▸ Banking and other Financing Relationships ▸ Costs and Benefits in Cash Management 	
5	Mid-Term Test	
6	<ul style="list-style-type: none"> • Cash and Marketable Securities 	
7	<ul style="list-style-type: none"> • Sources of Short-Term Financing <ul style="list-style-type: none"> ▸ Trade Credit ▸ Bank Loans ▸ Secured and Unsecured Short Term Loans 	
8	<ul style="list-style-type: none"> • Du Pont Identity 	
9	<ul style="list-style-type: none"> • Review 	
10	Final Exam	