



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option:

**FMGT 2540  
Working Capital Management**

**Start Date:** March 2005

**End Date:** May 2005

**Total Hours:** 30    **Total Weeks:** 10

**Term/Level:** 2    **Course Credits:** 2

**Hours/Week:** 3    **Lecture:** 1    **Lab:** 2

**Shop:**                    **Seminar:**                    **Other:**

**Prerequisites**

**FMGT 2540 is a Prerequisite for:**

**Course No.    Course Name**

**Course No.    Course Name**

FMGT 1100 or  
FMGT 1105    (Min 50% grade)

• **Course Description**

This course enables students to understand the relationships between current assets and current liabilities in different types of organizations, to appreciate the trade-offs inherent in a firm's working capital policy, and to carry out a basic analysis of a firm's working capital management.

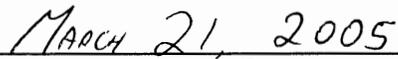
• **Evaluation**

Mid Term Exam	30%	Comments: Final Exam is cumulative with a heavier emphasis on the post mid term materials
Final Exam	50%	
Group assignment	15%	
Homework	5%	
<b>TOTAL</b>	<b>100%</b>	

• **Verification**

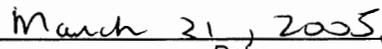
I verify that the content of this course outline is current.

  
\_\_\_\_\_  
Authoring Instructor

  
\_\_\_\_\_  
Date

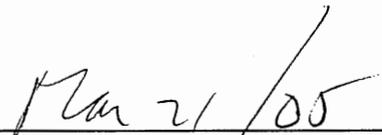
I verify that this course outline has been reviewed.

  
\_\_\_\_\_  
Program Head/Chief Instructor

  
\_\_\_\_\_  
Date

I verify that this course outline complies with BCIT policy.

  
\_\_\_\_\_  
Dean/Associate Dean

  
\_\_\_\_\_  
Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

- **Instructor(s)**

	Office Location	Office Hours	Phone	E-Mail
Marc Kampschuur, B.Comm.(hons) LL.B. CA	SE6 371	As posted	604.451.6756	marc_kampschuur@bcit.ca
Keith Lownie, Dipl. T., CFP, CIM, CA	SE6 379	As posted	604.451.6751	keith_lownie@bcit.ca

- **Learning Resources**

*Required:*

***Working Capital Management*, ISBN 0-390-33203-8, (This is a McGraw Hill Primis publication, based on chapters 6 - 8 of *Foundations of Financial Management*, 6<sup>th</sup> Canadian Edition, Block et al.)**

- **Information for Students**

**Assignments:** Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

**Ethics:** BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

**Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced. Attendance will be taken at the beginning of each session. Students not present at that time will be recorded as absent.

**Makeup Tests, Exams or Quizzes:** There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

**Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

**Attempts:** Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

**Course Outline Changes:** The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

**E-mail:** You may contact your instructor via the e-mail listed above under "instructors". The subject line of your email must be in the following format or your message will be deleted without being read:

"course number" "last name" "first name" "student number" "set letter"

As an example: FMGT 2540 Hewson Paul 22222222 U

During the week we will endeavour to respond to e-mails within 48 hours. During weekends we may not be available to respond to e-mail. If your e-mail contains a question regarding course content you are required to indicate how you attempted to answer your question and provide an answer for comment.

### Schedule

Week of	#	Lecture Material	Reference / Pre Reading	Lab Problems
March 21	1	Introduction & Accounting Review.	N/A	Handout: • Accounting Review.
March 28	2	F/S Analysis	N/A	• F/S Analysis.
April 4	3	Cash Budgets	Article – Scrubbing the Numbers	Handouts: • Cash Budgeting.  Discussion of: • “Scrubbing the Numbers.”
April 11	4	Working Capital and the Financing Decision	Chapter 6, pp. 1 – 28	Chapter 6: • Discussion Questions 1, 2, 6, 7, 10. • Problems 3, 5, 9, 13.
April 18	5	Mid Term Exam (During Lecture)		Introduction to the Group Assignment. Midterm review.
April 25	6	Current Asset Management	Chapter 7, pp. 41 – 65  Articles: • Working Capital Survey 2004. • Capital Ideas: A Little Cash’ll Do Ya	Discussion of: • “Working Capital Survey 2004.” • “Capital Ideas: A Little Cash’ll Do Ya.”
May 2	7	Sources of Short Term Financing	Chapter 8, pp. 81 – 104  Articles: • Measure Performance with the Right Data. • What are the 4 Cs of Credit?	Chapter 7: • Discussion Questions 1, 4, 10, 12, 15. • Problems 3, 4, 8, 10, 17, 25.  Discussion of: • “Measure Performance with the Right Data.” • “What are the 4 Cs of Credit?”
May 9	8	Inventory Management	Chapter 7, pp. 63 – 70  Article: • The Great Inventory Reduction	<b>Group Assignment due in lab.</b>  Chapter 8: • Discussion Questions 3, 6, 8. • Problems 4, 6, 13, 17, 20, 25, 28, 29.  Discussion of: • “The Great Inventory Reduction.”
May 16	9	Review		
May 24	10	Final Exams		

(This schedule is subject to change at the discretion of the instructor.)