



NOV 30 2004

Course Outline

A POLYTECHNIC INSTITUTION

School of Business

Program: Marketing Management

Option:

FMGT 3222

Managerial Finance (MKTG)

Start Date: September 7, 2004

End Date: December 10, 2004

Total Hours: 60 **Total Weeks:** 15.14

Term/Level: 3 **Course Credits:** 4

Hours/Week: 4 **Lecture:** 2 **Lab:** 2

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

Prerequisites

FMGT 3222 is a Prerequisite for:

Course No.	Course Name
FMGT 2100	Accounting 2 or
FMGT 2180	
FMGT 2190	

Course No.	Course Name
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v Course Description (required)

The purpose of the course is to give the student an appreciation of the role of finance in business and industry and an understanding of the inter-relationships between finance and the other functional aspects of business. It is also the objective of the course to teach the student some common decision-making techniques in finance to enable him/her to react optimally under varying conditions within a business environment of ever-increasing complexity.

v Evaluation

Mid Term Exam	30%
Final Exam	45%
Assignment/Case study	15%
Participation	10%
TOTAL	100%

Comments:

- The final exam is cumulative, with greater emphasis on course materials after the mid term.
- There will be a 2 hour mid term. Date TBD.

v Course Learning Outcomes/Competencies

Upon successful completion, the student will be able to:

- Discuss the goals and functions of financial management
- Calculate and interpret ratios that measure a company's profitability, asset utilization, liquidity and debt utilization
- Prepare the three financial statements for forecasting – the pro forma income statement, the cash budget, and the pro forma balance sheet
- Define and calculate financial and operating leverage and assess their opportunities and limitations
- Discuss the major components, inter-relationships and issues making up working capital management
- Identify the cash flow cycle of the firm
- Describe various short term financing sources and calculate interest rates for different types of borrowing
- Describe types of long term financing and calculate the current value of financial assets based on the present of future cash flows

v **Verification**

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

Jerome Gessaroli  06/10/04
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.

TIM EDWARDS  June 10/04
Dean/Associate Dean Date

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

v **Instructor(s)**

Jerome Gessaroli

Office Location: SE6 – 319
Office Hrs.: As Posted

Office Phone: 604-431-4923
E-mail Address: jerome_gessaroli@bcit.ca

v **Learning Resources**

Required:

Block, S., Hirt, G., Short, D., (2003). Foundations of Financial Management, McGraw-Hill Ryerson. 6th Canadian Edition

Highly Recommended:

Study guide to accompany the above text (helpful but not compulsory).

v **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.

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**.

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.

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.

Lecture Notes and other Information: Lecture notes will be available through the share out directory under the FMGT3222 folder. Notes will be posted in advance of the lecture. The notes **DO NOT** replace attendance at lectures. They are meant to be a complement to lectures. There may also be, from time to time, other information sources on the share out directory that will be required reading.

Schedule

Week of/ Number	Material Covered	Reference/ Pre Reading	Assignments
1	The Goals and Functions of Financial Management	Chapter 1	
2	Review of Financial Statements	Chapter 2	CH 1: Discussion Questions 2, 3, 4, 10, 12, 13
3	Financial Analysis	Chapter 3	CH 2: Discussion Questions 1, 3, 9, 10; Problems 4, 10, 16, 17, 19, 26, 28
4	Financial Forecasting	Chapter 4 (not including Page 119)	CH 3: Discussion Questions 1, 3 Problems 4, 7, 19, 20, 23, 25, 28, 29
5	Financial Forecasting (continued)		CH 4: Problems 2, 3, 4, 11, 12, 15, 22, 23, 27;
6	Operating and Financial Leverage	Chapter 5	Handout problems
7	Mid Term Exam	Chapters 1 – 4	
8	Working Capital and the Financing Decision	Case Study (handout) Chapter 6 Taylor, R. "When your bank says no", <u>National Post</u> , Oct. 5, 2002, P. FP7. (Handout)	CH 5: Discussion Questions 2, 3, 5, 11; Problems 3, 7, 13, 14, 16(do not complete parts "c" and "e")
9	Current Asset Management	Chapter 7 "Driving down working capital: Laidlaw's story", <u>Canadian Treasurer</u> , Aug/Sep 1999 (Handout); ▪ D&B Credit Check Report http://www.dnb.ca/products/credeheck.html (click "see a sample")	CH 6: Discussion Questions 1, 2, 6, 7; Problems 3, 5, 9, 13, 15
10	Sources of Short Term Financing	Chapter 8 "Banking 101: The basics of debt financing", <u>Canadian Treasurer</u> , Oct/Nov. 2000. (Handout)	Case Study Due CH 7: Discussion Questions 1, 4, 10, 15; Problems 3, 4, 8, 10, 17, 25

Week of/ Number	Material Covered	Reference/ Pre Reading	Assignments
11	Valuation and Rates of Return	Chapter 10 (not including Appendices A or B)	CH 8: Discussion Questions 3, 6, 8; <u>Problems</u> 4, 6, 13, 20, 25, 28, 29
12	Foreign Exchange	Chapter 21, pp. 741-753	CH 10: Discussion Questions 4, 6, 7, 14; <u>Problems</u> 4, 6, 7, 22, 26, 27, 37, 40
13	Review		CH 21: Handout questions
14	Final Examination		