



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting

FMGT 3510**Finance 1****Start Date:** September, 2002**End Date:** December, 2002**Total Hours:** 48 **Total Weeks:** 12**Term/Level:** 3 **Course Credits:** 4**Hours/Week:** 4 **Lecture:** 2 **Lab:** 2**Shop:** **Seminar:** **Other:****Prerequisites****Course No.** **Course Name**

1st Year Business — BCIT

FMGT 3510 is a Prerequisite for:**Course No.** **Course Name**

FMGT 4510 Finance 2

■ Course Description (required)

The purpose of the course is to give the student an understanding of the role finance plays in business and industry.

Corporate finance is a tool that helps managers maximize the financial performance of a company for the long-term benefit of its shareholders. In this course students learn how firms can efficiently allocate their resources and how they can raise funds to pay for those resources on as favourable terms as possible.

■ Detailed Course Description (optional)**■ Evaluation**

Final Exam	50%	Comments: * See Assignment Details, page 3.
Mid-Term	40%	
Projects/Assignments *	10%	
TOTAL	100%	

■ Course Learning Outcomes/Competencies

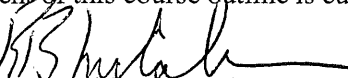
Upon successful completion, the student will be able to:

- appreciate the role corporate finance plays in enabling a firm to survive in an environment of accelerating change and competition.
- determine the effect of the financial environment on the corporation, i.e., the effects of taxation, form of organization, interest rates, inflation and the state of capital markets.
- perform time value of money calculations.
- compute the effect of risk and return on the cost of capital and the value of the firm.
- determine a firm's optimal mixture of working capital, i.e., cash, receivables, inventory and short-term debt.

■ Verification

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

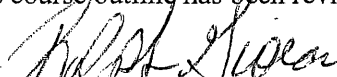
Rick McCallum


Authoring Instructor

Aug 22, 2002
Date

I verify that this course outline has been reviewed.


Ralph Gioia


Program Head/Chief Instructor

Aug. 28, 2002
Date

I verify that this course outline complies with BCIT policy.

Tim Edwards


Dean/Associate Dean

Aug 28, 2002
Date

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

■ Instructor(s)

R.B. McCallum, B.Eng, M.B.A., CMA, CFP	Office Location: SE6-381 Office Hrs.: To be announced	Office Phone: 604-451-6753 E-mail Address: rick_mccallum@bcit.ca
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■ Learning Resources

Required:

Canadian Financial Management, Fourth Edition, by Alfred Davis and George Pinches.
ISBN 0-201-72160-0, Addison-Wesley Longman Publishers.

Financial calculator (Sharp EL-733A is recommended).

Recommended:

Study Guide to accompany the above text is **not compulsory BUT may be useful**.

■ Information for Students

(Information below can be adapted and supplemented as necessary.)

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 may 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.

1. This course outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that you keep this outline in a safe place for future reference.
2. In order to write exams, students will be required to produce photo-identification at examination centers.

■ Assignment Details

Problems will be assigned weekly which will be weighted 10 percent toward the final mark in the course. The student may elect not to do these in which case the course mark will be based entirely on exams.

Schedule

Week Number	Outcome/Material Covered
1	Chapter 1: The Financial Management Environment Goals, Seven Key Ideas of Financial Management
2	Chapter 2: The Financial System, Interest Rates, and Foreign Exchange Structure of Financial Markets, Term Structure of Interest Rates, Foreign Exchange Rates
3	Chapter 21: Short-Term Financial Management Policy Optimizing Current Asset and Current Liability Levels
4	Chapter 22: Cash and Marketable Securities
5	Chapter 23: Accounts Receivable and Inventory
6	MIDTERM EXAM (40%) on Chapters 1, 2, 21, 22, 23
7	Chapter 24: Short-Term Financing Receivables and Inventory Financing, Revolving Loans, Lines of Credit
8	Chapter 3: Time Value of Money plus Appendix 3A
9	Chapter 4: Valuation of Bonds and Stocks Placing a value on a bond; on a share of preferred or common stock
10	Chapter 5: Risk and Return Measuring Risk, Capital Asset Pricing Model
11	Chapter 6: The Opportunity Cost of Capital Computation of the Cost of Debt, Preferred, and Common Equity Funds; Combining these to get an Overall Cost of Capital
12	FINAL EXAM (50%) on previously covered material.

Week Number	To be Handed in	To do in Labs
1	Chapter 1: nothing	Chapter 1: Questions at end of chapter Prob. 1.1, 1.2
2	Chapter 2: Prob. 2.3, 2.6, 2.7, 2.10	Chapter 2: Prob. 2.2, 2.5, 2.8, 2.9
3	Chapter 21: Prob. 21.2, 21.7	Chapter 21: Prob. 21.1, 21.6, 21.8
4	Chapter 22: Prob. 22.5, 22.10, 22.12	Chapter 22: Prob. 22.3, 22.4, 22.9, 22.13
5	Chapter 23: Prob. 23.2, 23.8, 23A.2	Chapter 23: Prob. 23.6, 23.7, 23.9, 23A.3
6	No assignment	Review
7	Chapter 24: Prob. 24.4, 24.6, 24.13	Chapter 24: Prob. 24.3, 24.7a, 24.8, 24.10a, 24.14
8	Chapter 3: Prob. 3.4, 3.9, 3.15, 3.18	Chapter 3: Prob. 3.2, 3.11, 3.13, 3.17, 3.26
9	Chapter 4: Prob. 4.1, 4.10, 4.14	Chapter 4: Prob. 4.2, 4.5, 4.8, 4.9, 4.11, 4.16, 4.17
10	Chapter 5: Prob. 5.4, 5.6, 5.10, 5.13, 5.23	Chapter 5: Prob. 5.3, 5.7, 5.11, 5.15, 5.16, 5.19, 5.20, 5.22
11	Chapter 6: Prob. 6.8, 6.12, 6.15	Chapter 6: Prob. 6.1, 6.2, 6.3, 6.4, 6.6, 6.9, 6.11, 6.13, 6.14
12	No assignment	Review