



Course Outline

A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting

FMGT 3510
Finance 1

Start Date: September, 2005

End Date: December, 2005

Total Hours: 60 **Total Weeks:** 15

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

v 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.

v Detailed Course Description (optional)

v Evaluation

Final Exam	50%
Mid-Term	40%
Projects/Assignments *	10%
TOTAL	100%

* See Assignment Details, page 3.

v 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.

v Verification

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

Rick McCallum

Authoring Instructor

Date

I verify that this course outline has been reviewed.

Ralph Gioia

Program Head/Chief Instructor

Sept. 7, 2005

Date

I verify that this course outline complies with BCIT policy.

Tim

Dean/Associate Dean

Sept 7, 2005

Date

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

v Instructor(s)

Larry Stubbs	Office Location: SE6-319	Office Phone: 604-451-6937
	Office Hrs.: To be announced	E-mail Address: Larry_Stubbs@bcit.ca

v Learning Resources

Required:

Fundamentals of Corporate Finance, Fifth Canadian Edition, by Stephen Ross, Randolph Westerfield, Bradford Jordan and Gordon Roberts.
ISBN 0-07-091659-4, McGraw-Hill Ryerson Publishers.

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

Recommended:

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

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 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 exams. 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.

v Assignment Details

Problems will be assigned weekly and these 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.

Please note that the marks from the assignments cannot be weighted to result in a final mark which is higher than the highest mark achieved on either exam.

Schedule

Week Number	Outcome/Material Covered
1	Chapter 1: Introduction to Corporate Finance Goals, Financial Markets, Seven Key Ideas of Financial Management
2	Chapter 2: Financial Statements, Taxes and Cash Flows
3	Chapter 18: Short-Term Finance and Planning Optimizing Current Asset and Current Liability Levels, Cash Budgeting, Short-term Borrowing
4	Chapter 19 and Appendix 19A: Cash and Liquidity Management Optimizing Cash Balances and Collections, Investing Idle Cash
5	Chapter 20: Credit and Inventory Management Analyzing, Setting and Monitoring Credit and Inventory Policy,
6	Chapter 5: Introduction to Valuation: The Time Value of Money Performing Time Value of Money Computations
7	MIDTERM EXAM (40%) on Chapters 1, 2, 18, 19, 20
8	Chapter 6: Discounted Cash Flow Valuation Further work on the time value of money
9	Chapter 7: Interest Rates and Bond Valuation Placing a Value on a Bond, Term Structure of Interest Rates
10	Chapter 8: Stock Valuation Placing a Value on a Share of Preferred or Common Stock
11	Chapter 12: Some Lessons from Capital Market History A Study of Historical Returns and Capital Market Efficiency
12	Chapter 13: Risk, Return and the Security Market Line Measuring Risk and Return; The Capital Asset Pricing Model
13	Chapter 14: Cost of Capital Computation of the Cost of Debt, Preferred, and Common Equity Funds; Combining these to get an Overall (Weighted Average) Cost of Capital
14	REVIEW
15	FINAL EXAM (50%) on previously covered material.

Week Number	To be Handed in	To do in Labs
1	Nothing	Review of Accounting
2	Chapter 1: nothing	Chapter 1: Concept Review Questions at end of chapter plus Handout Problems
3	Chapter 2: Problems 16, 23, 24	Chapter 2: Problems 15, 20, 21, 22, 34
4	Chapter 18: Problems 15, 16	Chapter 18: Problems: 14, 13, 17
5	Chapter 19: Problems 11, A2, A7	Chapter 19: Problems 6, 12, A4, A9
6	Chapter 20: Problems 8, 10, 11	Chapter 20: Problems 5, 7, 9, 12, 14, 15, handout
7	No assignment	No Labs
8	Chapter 5: Problems 9, 14	Chapter 5: Problems 1, 6, 7, 16, 20
9	Chapter 6: Problems 12, 49, 69	Chapter 6: Problems 10, 11, 37, 45, 52, 54, 59
10	Chapter 7: Problems 4, 12, 17, 25, handout	Chapter 7: Problems 6, 7, 8, 9, 10, 16, 19, 23, 24, handout
11	Chapter 8: Problems 1, 10, 14, 21, A1	Chapter 8: Problems 2, 12, 13, 15, 17, 18, 23 a&b, 24
12	Chapter 12: Problems 4, 6, 7, 14	Chapter 12: Problems 5, 9, 10, 11, 13
13	Chapter 13: Problems 9, 11, 13, 16, 26	Chapter 13: Problems 6, 10, 12, 14, 15, 20, 21, 25
14	Chapter 14: Problems 3, 6, 12, 13	Chapter 14: Problems 7, 8, 9, 15, 16, handout