



A POLYTECHNIC INSTITUTION

School of Business

Program: Business Administration

Option: International Trade and Transportation

**FMGT 3550**  
**Business Finance 1**

**Start Date:** September, 2002

**End Date:** December, 2002

**Total Hours:** 36    **Total Weeks:** 12

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

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

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

**Prerequisites**

**FMGT 3560 is a Prerequisite for:**

<b>Course No.</b>	<b>Course Name</b>
FMGT 2100	Accounting 2

<b>Course No.</b>	<b>Course Name</b>
FMGT 4550	Business Finance 2

■ **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 interrelationships between finance and the other functional aspects of business. It is also the objective of the course to teach student some common decision-making techniques in finance to enable her/him to react optimally under varying conditions within a business environment of ever-increasing complexity.

■ **Evaluation**

Midterm	50%
Final Examination	50%
<b>TOTAL</b>	<u>100%</u>

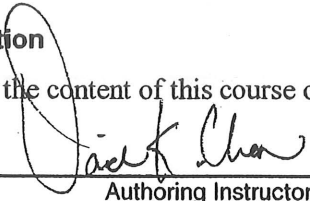
■ **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

- identify how finance builds upon the disciplines of accounting and economics.
- discuss the analytical decision-making nature of finance within a risk-return framework.
- outline the activities of financial managers that are primarily based on the raising and investing of funds in an efficient manner.

■ Verification

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

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

July 31/2002  
\_\_\_\_\_  
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

August 27, 2002  
\_\_\_\_\_  
Date

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

### ■ Instructor(s)

David K. Chan, B.Comm., MBA, Office Location: SE6-381 Office Phone: 604-451-6753  
CA Office Hrs.: to be posted on office door E-mail Address: dchan@bcit.ca

### ■ Learning Resources

*Required:*

*Foundations of Financial Management, Sixth Canadian Edition. Stanley Block, Geoffrey Hirt, Douglas Short. Irwin Inc. 2002*

### ■ 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 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.

### ■ Assignment Details

Will be discussed in class.

### Schedule

Week of/ Number	Outcome/Material Covered	Reference/ Reading
1	Introduction to Corporate Finance <ul style="list-style-type: none"> <li>• What is Corporate Finance</li> <li>• Goals of Financial Management</li> <li>• Financial Institutions, Financial Markets and the Corporation</li> </ul>	Chapter 1
2	Review of Accounting <ul style="list-style-type: none"> <li>• Income Statement and Balance Sheet</li> <li>• Cash Flow</li> <li>• Taxes and Capital Cost Allowance</li> </ul>	Chapter 2
3	Financial Analysis <ul style="list-style-type: none"> <li>• Ratio Analysis</li> <li>• Use of Ratios to Analyze a Firm</li> </ul>	Chapter 3
4	Financial Forecasting <ul style="list-style-type: none"> <li>• Pro Forma Income Statement</li> <li>• Balance Sheet and Cash Budget</li> </ul>	Chapter 4
5	Midterm Exam on Chapters 1, 2, 3, 4	
6 & 7	Operating and Financial Leverage <ul style="list-style-type: none"> <li>• Break-even Analysis</li> </ul>	Chapter 5
8 & 9	Current Asset Management <ul style="list-style-type: none"> <li>• Cash Management</li> <li>• Inventory Control</li> <li>• Management of Accounts Receivable</li> </ul>	Chapter 7
10 & 11	Sources of Short-Term Financing <ul style="list-style-type: none"> <li>• Use of Bank Financing, Commercial Paper, EuroDollars and Hedging</li> </ul>	Chapter 8
12 & 13	Valuation and Rates of Return <ul style="list-style-type: none"> <li>• Valuing Bonds, Preferred Stock and Common Stock</li> </ul>	Chapter 10
14	Review	
15	<b>Final Examination</b>	