

# BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

## COURSE OUTLINE

COURSE NAME Working Capital Management

COURSE NUMBER FMGT 2540 DATE March 2002

Prepared by Graham R. Hughes Taught to 1st Year

School Business

Program Financial Management

Term 2B Hrs/Wk 3 No. of Weeks 10

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Instructor(s) Graham Hughes /Russ Curtis/ Robin Day

Office SE6 318/333/ 335

Local 451-6841, 451-6756 ,451-6793 Office Hours Posted at office

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### PREREQUISITES

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### COURSE OBJECTIVES

(Upon the successful completion of this course, the student will be able to:)

1. Have a basic understanding of the principles underlying the management of a firm's liquidity.
  2. Identify the strengths and weaknesses of the working capital policy of a firm.
  3. Have a basic understanding of financial ratio and trend analysis.
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### EVALUATION

Final Examination	45%
Mid-Term	40%
Projects	15%

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### REQUIRED TEXT(S)

There is no required text for this course.

Notes, handouts, etc. will be given to the students throughout the course during the lectures and labs.

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### REFERENCE TEXTS:

Accounting the Basis for Business Decisions. Meigs, Meigs & Lam. McGraw-Hill Ryerson

Credit and Collections in Canada. R.W. Jackson.

Short Term Financial Management. Terry S. Maness. McGraw-Hill Ryerson.

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### COURSE SUMMARY

This is an introductory course for first year financial management students to provide them with a basic understanding of the major aspects of working capital management.

**COURSE OUTLINE ( continued )**

<b>Lecture</b>	<b>Material Covered</b>	<b>Week of:</b>
<b>1</b>	<ul style="list-style-type: none"><li>- Introduction</li><li>- Financial Statement Analysis</li></ul>	<b>March 18</b>
<b>2</b>	<ul style="list-style-type: none"><li>- The Operating and Cash Cycles</li><li>- Receivables Management</li></ul>	<b>March 25</b>
<b>3</b>	<ul style="list-style-type: none"><li>- Inventory Management</li><li>- Costs of Inventory</li><li>- Setting an Inventory Policy</li></ul>	<b>April 1</b>
<b>4</b>	<ul style="list-style-type: none"><li>- Cash and Marketable Securities</li><li>- Cash Management</li><li>- Cash Budget</li><li>- Banking and other Financing Relationships</li></ul>	<b>April 8</b>
<b>5</b>	<b>MID-TERM TEST</b>	<b>April 15</b>
<b>6</b>	<ul style="list-style-type: none"><li>- Cash and Marketable Securities</li></ul>	<b>April 22</b>
<b>7</b>	<ul style="list-style-type: none"><li>- Sources of Short-Term Financing</li></ul>	<b>April 29</b>
<b>8</b>	<ul style="list-style-type: none"><li>- Foreign Currency Transactions</li></ul>	<b>May 6</b>
<b>9</b>	<b>REVIEW</b>	<b>May 13</b>
<b>10</b>	<b>FINAL EXAM</b>	<b>May 20</b>