



A POLYTECHNIC INSTITUTION

School of Business

Program: International Trade and Transportation

## Course Outline

### **FMGT 4550** **Business Finance 2**

**Start Date:** January 4, 2006

**End Date:** May 26, 2006

**Total Hours:** 60 **Total Weeks:** 20

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

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

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

#### **Prerequisites**

**Course No. Course Name**

FMGT 2100 Accounting 2

FMGT 3550 Business Finance 1

#### **Course Description**

This course allows those with little or no knowledge of financial management to study the various methods of optimizing the economic position of a firm. Middle management people in business finance will learn to make the best decisions on the financing of a firm. Topics include control and financial management of the business firm, profit and cash-planning, the cost of capital and working capital management.

#### **Evaluation**

Midterm	45%
Final Examination	45%
Participation & lab assignments	10%
<b>TOTAL</b>	<b>100%</b>

#### **Course Learning Outcomes/Competencies**

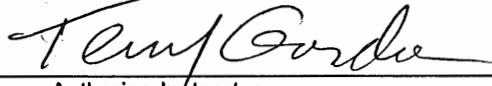
Upon successful completion, the student will be able to:

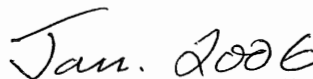
- identify how finance builds upon the disciplines of accounting and economics.
- discuss the analytical decision-making nature of finance within a risk-return framework.
- outline the activities of financial managers that are primarily based on the raising and investing of funds in an efficient manner.

## Verification

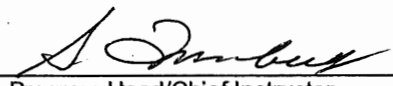
I verify that the content of this course outline is current.

J. Terry Gordon

  
Authoring Instructor

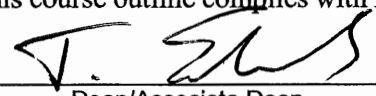
  
Date

I verify that this course outline has been reviewed.

  
Program Head/Chief Instructor

  
Date

I verify that this course outline complies with BCIT policy.

  
Dean/Associate Dean

  
Date

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

## Instructor

J. Terry Gordon, BA, Dip.T., CA, CBV  
Office: SE6 361  
Telephone: (604) 451-6774  
Email: [terry\\_gordon@bcit.ca](mailto:terry_gordon@bcit.ca)  
Course web page: <http://www.finman.org/>  
Instructor web page: [http://www.business.bcit.ca/contact/terry\\_gordon.shtml](http://www.business.bcit.ca/contact/terry_gordon.shtml)

## Learning Resources

### Required:

*Foundations of Financial Management*, 7th Canadian Edition. By Stanley Block, Geoffrey Hirt and Douglas Short, ISBN 007092679-4, McGraw-Hill Ryerson, 2005.

Custom publication based on selected chapters from *International Financial Management, Canadian Perspectives*, By: Cheol Eun, Bruce Resnick and Donald Brean, McGraw-Hill Ryerson, 2005 (**used in Term B only**)

Financial calculator (Sharp EL-733A is **highly recommended**)

### Recommended:

- Publisher's online learning centres: <http://www.mcgrawhill.ca/college/block>  
<http://www.mcgrawhill.ca/college/eun>
- Access to a daily or weekly financial newspaper (e.g. National Post, Globe and Mail, The Economist) will be useful as many of our discussions in the seminars will be focused on current events in the world of finance.
- Internet access for research purposes and to access the course web site.

## Information for Students

**Self Study Problems:** Suggested self-study problems will be assigned throughout the term. This homework will not be collected or marked, but it is essential that you work through the problems in order to understand the material and perform well on the exams. Time permitting we will take up most of these problems during the labs. For your own sake, please resist the temptation to simply look at solutions without having worked through the problems yourself.

**Makeup Exams:** 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

## Course Schedule

Week of	Lecture Topic	Text Book Chapter Reference
January 4 & 9	Cost of Capital	Block 11
January 16, 23 & 30	Capital Budgeting	Block 12 & 13
February 8	Capital Markets	Block 14
February 13	Raising Capital	Block 15
February 20	Long-term Debt & Lease Financing	Block 16
February 27	Clean-up and exam review	
March 6	<b>Mid-term Exam Week</b>	
March 13	<b>Spring Break</b>	
March 20	Introduction to International Financial Management	Eun 1
March 27	International Monetary System	Eun 2
April 3	Foreign Exchange Markets	Eun 4
April 10 & 17	International Parity Relationships	Eun 5
April 24, May 1 & 8	Managing Foreign Exchange Exposure	Eun 9 & 10
May 15	Clean-up and exam review	
May 22	<b>Final Exam Week</b>	