



A POLYTECHNIC INSTITUTION

School of Business

Program: International Trade and Transportation

**FMGT 4551
Business Finance 2**

Start Date: January 5, 2008

End Date: March 7, 2008

Total Hours: 30 **Total Weeks:** 10

Term/Level: 4 **Course Credits:** 2

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

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.

Evaluation

Midterm	40%
Final Examination	40%
Weekly Quizzes	<u>20%</u>
TOTAL	100%

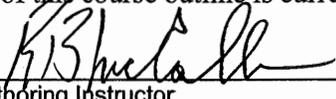
Course Learning Outcomes/Competencies

Upon successful completion, the student will be able to:

- Understand the conceptual framework of corporate finance and the role of the financial manager in maximizing the value of the firm. Appreciate the role corporate finance plays in enabling a firm to survive in an environment of accelerating change and competition.
- Determine the optimal way to finance a firm in terms of how much debt and how much equity.
- Describe how corporations raise funds in the capital markets.
- Compute the weighted average cost of capital for a business firm.
- Analyze the desirability of an investment in fixed assets under conditions of certainty and risk.

Verification

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

Richard McCallum 

Authoring Instructor

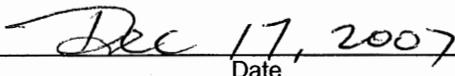


Date

I verify that this course outline has been reviewed.



Program Head/Chief Instructor

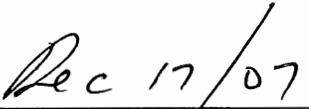


Date

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

Richard McCallum, B. Eng., MBA, CMA, CFP
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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. **(Same text as you had in the Fall term)**

Financial calculator (Sharp EL-733A or 738 or Texas Instruments BA II Plus is **highly recommended**)

Recommended:

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

Information for Students

Lab Problems: Lab problems will be assigned throughout the term. This homework will not be collected for marking, 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 copy down solutions without having worked through the problems yourself.

Quizzes: A short quiz will be given at the end of the lab each week based on the problems covered in the lab that week. These weekly quizzes will make up the 20% assignment/quiz mark. You may elect to disregard one of the quiz marks over the term to allow for a missed lab or poor performance on a quiz.

Makeup Exams: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks with the exception of the one mark which may be disregarded (see **Quizzes** above). Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility students to inform the instructor as well as their program head of their situation **as soon as possible**.

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.

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 mark 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 3 & 7	Cost of Capital	Chapter 11
January 14 & 21	Capital Budgeting	Chapters 12 & 13
January 28	Mid-term Exam	
February 4	Capital Markets	Chapter 14
February 11	Raising Capital	Chapter 15
February 18	Long-term Debt & Lease Financing	Chapter 16
February 25	Clean-up and exam review	
March 3	Final Exam	
March 10	Spring Break	

Lab Problems

Week Number	To do in Labs
1 & 2	Chapter 11: Problems 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 20 and 21
3 & 4	Chapter 12: Problems 1, 5, 6, 7, 10, 12, 13, 15, 17, 25, 28, 38, 39 and 45 Chapter 13: Problems 2, 6, 7, 9, 10, 11, 13, 14, 15, 19 and 22
5	Mid-term Exam
6	Chapter 14: Problems 9, handout
7	Chapter 15: Problems 2, 3, 5, 8, 11, 14, 15, 16 and 19
8	Chapter 16: Problems 1, 8, 11, 13, 15, 19 and 27
9	Review
10	Final Exam