



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option:

FMGT 2540
Working Capital Management

| | | | |
|---------------------|--------------|------------------------|--------------|
| Start Date: | June 2, 2008 | End Date: | July 2, 2008 |
| Total Hours: | 30 | Total Weeks: | 5 |
| Hours/Week: | 6 | Lecture: | 2 |
| | | Lab: | 4 |
| | | Term/Level: | 2 |
| | | Course Credits: | 2 |
| | | Shop: | |
| | | Seminar: | |
| | | Other: | |

Prerequisites

Course No. **Course Name**

FMGT 1100 or
FMGT 1105 (Min 50% grade)

FMGT 2540 is a Prerequisite for:

Course No. **Course Name**

v Course Description (required)

Enables students to understand the relationships between current assets and current liabilities in different types of organizations, to appreciate the trade-offs inherent in a firm's working capital policy, and to carry out a basic analysis of a firm's working capital management in comparison to others.

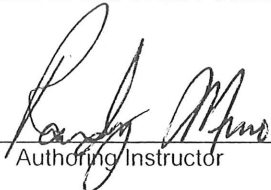
v Evaluation

| | |
|--------------------------------|-------------|
| Mid Term Exam | 40% |
| Final Exam | 50% |
| Class participation & Homework | 10% |
| TOTAL | 100% |

Comments: Final Exam is cumulative with a heavier emphasis on the post mid term materials

v Verification

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



Authoring Instructor



Date

I verify that this course outline has been reviewed.



Program Head/Chief Instructor

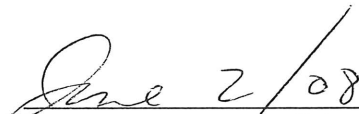


Date

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.

v Instructor(s)

| | | | | |
|-------------|------------------|---------|-----------------|----------------|
| Randy Murie | Office Location: | SE6-322 | Office Phone: | (604) 456-8156 |
| | Office Hrs.: | N/A | E-mail Address: | rmurie@bcit.ca |

v Learning Resources

Required:

Working Capital Management, ISBN 0-07-083922-0, (This is a McGraw Hill Primis publication, based on chapters 6 - 8 of *Foundations of Financial Management*, 7th Canadian Edition, Block et al.)

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 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. Course withdrawals (W), Late Withdrawals (LW), Course Abandonment (V), Prior Learning Assessment Recognition (PLAR), and course failures are recorded as an attempt 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 may 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.

Lecture Notes and other Information: Lecture notes will be available through the share out directory under the FMGT2540 folder. Notes will be posted in advance of the lecture. The notes DO NOT replace attendance at lectures. They are meant to be a complement to lectures. There may also be, from time to time, other information sources on the share out directory that will be required reading.

Program Approval: Students planning to complete a Financial Management part-time studies program should complete an Application for Program Approval form to declare a program of study after the program's first course. Receiving Program Approval ensures that BCIT is aware of the student's intent to complete a program as it's currently outlined. Program Approval also enables students to request changes to the prescribed program and guarantees credit for courses that are part of the program will be honoured despite changes in program requirements.

BCIT Student Regulations Policy: For information relating to BCIT Student Regulations policies please refer to Policy 5002 available for viewing at <http://www.bcit.ca/files/pdf/policies/5002.pdf>.

Schedule

(This schedule is subject to change at the discretion of the instructor.)

| Week of/ Number | Lecture Material | Reference/ Reading | Lab Problems |
|--------------------|--|---|--|
| June 2 | Introduction & Financial Statement Analysis | | Accounting review handout questions |
| June 4 | Cash Budgets | | Financial statement analysis handout questions |
| June 9 | Working Capital and the Financing Decision | - Chapter 6, pp. 1 – 28; (text pages show 167 – 193) | Cash budgeting handout questions |
| June 11 | Current Asset Management | - Chapter 7, pp. 38 – 57 (text pages show 204 – 223) | CH 6: Discussion Questions 1, 2, 6, 7, 10; Problems 3, 5, 9, 13 |
| June 16 | Mid Term Exam | Review | |
| June 18 | Sources of Short Term Financing | - Chapter 8, pp. 81 – 104; (text pages show 240 – 262) | CH 7: Discussion Questions 1, 4, 10, 12, 15; Problems 3, 4, 8, 10, 17, 25 |
| June 23 | Inventory Management | - Chapter 7, pp. 57 – 65 ; (text pages show 223 – 231) | CH 8: Discussion Questions 3, 6, 8; Problems 4, 6, 13, 17, 20, 25, 28, 29 |
| June 25 | Foreign Currency Transactions | | CH 7: Problems 31,34,36,38 |
| June 30 | Review and Catch up | | |
| July 2 | Final Exam | | |