



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
Business
Program: Continuing Education
Option:

FMGT 3510
Finance 1

Hours/Week: 3
Lecture:
Lab:
Other:

Total Hours: 36
Total Weeks: 12

Term/Level: 3
Credits: 4

Instructor: TBA
Home Phone:

Office Phone:
E-mail:

Office Location:
Fax:

Prerequisites

Course No.
FMGT 1100 and 2100
FMGT 2190

Course Name:
Accounting 1 and 2
Accounting 1/2

FMGT 3510 is a Prerequisite for:

Course No.
FMGT 4510

Course Name
Finance 2

Course Goals

Upon successful completion of Finance 1, 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.
- Understand the role and basic structure of the Canadian financial system.
- Understand the nature of interest rates and the relationships between interest rates, inflation, risk and foreign exchange rates.
- Understand the impact that short-term financial management policy has on the value of a firm. Measure a firm's level of liquidity by determining its cash conversion cycle. Determine a firm's optimal mix of working capital, i.e. cash, receivables, inventory and short-term debt.
- Compute the time value of money and be able to apply these techniques to solve various financial problems.
- Determine the value and yields of corporate bonds and stock. Understand the relationship between market interest rates and bond prices. Understand how actual and expected rates of return are measured and their relevance to financial management.
- Understand how risk is measured and the relationship between risk and required rates of return. Determine required rates of return using the capital asset pricing model (CAPM). Understand the strengths and weakness of the CAPM and be aware of the alternatives to the CAPM. Determine expected portfolio returns given different levels of diversification.
- Calculate a firm's weighted average cost of capital.

Corporate finance is a tool that helps managers maximize the financial performance of a company for the long-term benefit of the 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 favorable terms as possible.

Final Examination	45%
Mid-term Examination	45%
Assignments/Quizzes	<u>10%</u>
TOTAL	100%

Developed by:	<div style="display: flex; justify-content: space-between;"> Instructor Name and Department (signature) </div>	Date: _____
Revised by:	<div style="display: flex; justify-content: space-between;"> J. Terry Gordon/Financial Management </div> <div style="display: flex; justify-content: space-between;"> Instructor Name and Department (signature) </div>	Date: <u>August 23, 2000</u>
Approved by:	<div style="display: flex; justify-content: space-between;"> Associate Dean/Program Head (signature) </div>	Date: _____



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Effective Date

April 2000

Instructor(s) **TBA**

Office No.:

Phone:

Fax No.:

Email:

Required Text(s) and Equipment

Canadian Financial Management, 3rd Edition
Davis and Pinches
ISBN 0-673-99331-0 Addison Wesley

Study Guide to accompany the above text is **not compulsory** but may be helpful.

Financial Calculator (Sharp EL 733A is **strongly recommended**)

Course Notes (Policies and Procedures)

Acts of cheating, plagiarism and dishonesty will not be tolerated in this course. Refer to BCIT policy 5250 for possible punitive actions that may arise from such activity.

Assignments and Quizzes

The instructor may assign homework on a weekly basis, usually from end of chapter problems. The instructor may also give short quizzes to supplement the assignments.

Class/Number	Outcome/Material Covered	Chapter Reference
1	• Why Financial Management Matters	Chapter 1
2	• The Financial System, Interest Rates, and Foreign Exchange	Chapter 2
3	• Short-term Financial Management Policy	Chapter 21
4	• Cash and Marketable Securities	Chapter 22
5	• Accounts Receivable and Inventory	Chapter 23
6	MID TERM EXAM	Chapters 1, 2, 21, 22 & 23
7	• Short-term Financing	Chapter 24
8	• Time Value of Money	Chapter 3
9	• Valuation of Stocks and Bonds	Chapter 4
10	• Risk and Return	Chapter 5
11	• The Opportunity Cost of Capital	Chapter 6
12	FINAL EXAM	Chapters 24, 3, 4, 5 & 6