



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 7510
Advanced Finance**Start Date:** September 4, 2002**End Date:** December 11, 2002**Total Hours:** 45 **Total Weeks:** 15**Term/Level:** Deg. **Course Credits:** 3**Hours/Week:** 3 **Lecture:** **Lab:****Shop:** **Seminar:** **Other:****Prerequisites****Course No.** **Course Name**

FMGT 4510 Finance 2

FMGT 7510 is a Prerequisite for:**Course No.** **Course Name**

FMGT 8910 Integrative Business Management Practices

■ Course Description (required)

This course builds on selected topics introduced in FMGT 3510 and FMGT 4510, with an emphasis on the determinants of firm value. Students will examine various business valuation methodologies as well how investment and financing decisions and conditions in the financial markets impact on firm value.

■ Evaluation

Class participation	15%
Group projects (2)	30%
Midterm exam	25%
Final exam	30%
	<u>100%</u>

■ Course Learning Outcomes/Competencies

Upon successful completion, the student will be able to:


- Understand how to design spreadsheet based financial models which are dynamic and interactive
- Develop computer models for analyzing and thinking about financial problems
- Construct cash budgets and derive from them pro forma financial statements and ratios which allow for the analysis of alternate scenarios
- Understand business valuation terminology and apply various basic business valuation techniques to value different types of businesses.
- Deal with financial and investment alternatives and understand their characteristics and the methods of valuing them
- Understand and develop models to assist with short-term financing and working capital decisions
- Understand and develop models to assist with capital structure decisions.
- Understand and develop models to assist in derivative pricing, valuation and strategies

■ **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.

Allan Cobbett



Program Head/Chief Instructor


Date

I verify that this course outline complies with BCIT policy.

Tim Edwards


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

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Office Hrs.: Posted on office
door

E-mail Address: terry_gordon@bcit.ca

Instructor web page: www.faculty.org/fp/tgordon/

Course web page: www.finman.org

■ Learning Resources

Required:

- There is no required textbook for this course. Readings and case material will be distributed on a weekly basis.
- A financial calculator is mandatory. (Sharp EL-733A is highly recommended).

Recommended:

- Access to an introductory finance textbook. For example, any edition of *Canadian Financial Management*, by Alfred Davis and George Pinches, Addison-Wesley Longman Publishers would be appropriate.
- Access to a daily or weekly financial newspaper (e.g. *National Post*, *The Globe and Mail*, *The Economist*, *The Wall Street Journal*) will be useful as many of our discussions will be focused on current events in the world of finance.
- Access to standard business productivity software such as Microsoft Excel, Word and PowerPoint.
- A good writer's handbook to serve as a guide to report writing. (*The Brief Writer's Handbook*, 2nd Canadian edition, by Alfred Rosa, Paul Eschholz and John Roberts, Prentice Hall Publishers, is highly recommended)

■ 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. 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.

■ Assignment Details and Participation Mark

The instructor will distribute details pertaining to the two group projects. The participation mark will be based on the student's attendance and contributions to class discussions. Students must come prepared to discuss current events and/or the assigned readings. The instructor may call on students at random to solicit their contribution to the class discussion.

Course Schedule

Date	Proposed Topic Coverage (subject to change)	Assignments due
September 4	<ul style="list-style-type: none"> • Introductions and course orientation • Finance Pre-test 	
September 11	<ul style="list-style-type: none"> • Take up pre-test • Take up Warren Buffet/GEICO Case 	
September 18	<ul style="list-style-type: none"> • Take up FedEx/UPS case 	
September 25	<ul style="list-style-type: none"> • Modelling cash budgets, pro forma financial statements and the related ratio analysis 	
October 2	<ul style="list-style-type: none"> • Introduction to business valuation 	
October 9	<ul style="list-style-type: none"> • Introduction to business valuation 	
October 16	<ul style="list-style-type: none"> • Exam review 	Group project 1 due
October 23	<ul style="list-style-type: none"> • Mid-term exam 	
October 30	<ul style="list-style-type: none"> • Capital budgeting models 	
November 6	<ul style="list-style-type: none"> • Capital budgeting models 	
November 13	<ul style="list-style-type: none"> • Short-term financing and working capital decisions 	
November 20	<ul style="list-style-type: none"> • Capital structure decisions 	
November 27	<ul style="list-style-type: none"> • Valuation of derivatives 	
December 4	<ul style="list-style-type: none"> • Exam review 	Group project 2 due
December 11	<ul style="list-style-type: none"> • Final exam 	