



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 7510
Advanced Finance**Start Date:** January 6, 2003**End Date:** April 21, 2003**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**

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	10%
Group project	15%
Term paper	15%
Midterm exam	30%
Final exam	30%
	<u>100%</u>

Course Learning Outcomes/Competencies

Upon successful completion, the student will be able to:

- Apply advanced capital budget techniques to various investment opportunities.
- Understand business valuation terminology and apply various basic business valuation techniques to value different types of business interests.
- Analyze short-term and long-term financing alternatives.
- Develop and apply long-term corporate financial planning models.
- Understand the basics of hedging using various derivative securities.

Verification

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

J. Terry Gordon, Dipl.T, BA, CBV, CA

Authoring Instructor

January 16, 2003

Date

I verify that this course outline has been reviewed.

Allan Cobbett, Dipl.T, LL.B., MBA, CMA

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, Dipl.T., MBA, CMA

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

Office Location: SE6 322

Office Phone: (604) 451-6774

Office Hrs.: Posted on office
door

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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 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 exams. 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 group project and term paper assignments. 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
January 6	<ul style="list-style-type: none"> • Introductions and course orientation • Finance Pre-test 	
January 13	<ul style="list-style-type: none"> • Take up pre-test • Take up Warren Buffet/GEICO Case 	
January 20	<ul style="list-style-type: none"> • Take up FedEx/UPS case • Introduction to EVA • Advanced capital budgeting models 	
January 27	<ul style="list-style-type: none"> • Advanced capital budgeting models 	
February 3	<ul style="list-style-type: none"> • Introduction to business valuation 	
February 10	<ul style="list-style-type: none"> • Introduction to business valuation 	
February 17	<ul style="list-style-type: none"> • Exam review 	Group project due
February 24	<ul style="list-style-type: none"> • Mid-term exam 	
March 3	<ul style="list-style-type: none"> • Take up mid-term • Short-term financing and working capital decisions 	
March 10	<ul style="list-style-type: none"> • No class 	
March 17	<ul style="list-style-type: none"> • Long-term capital structure decisions 	
March 24	<ul style="list-style-type: none"> • Long-term financial planning models 	
March 31	<ul style="list-style-type: none"> • Derivatives and risk management 	
April 7	<ul style="list-style-type: none"> • Derivatives and risk management 	
April 14	<ul style="list-style-type: none"> • Exam review 	Term paper due
April 21	<ul style="list-style-type: none"> • Final exam 	