



EFFECTIVE: SEPTEMBER 2002

CURRICULUM GUIDELINES

A: Division: **Instruction** Date: **November 2001**
B: Department/ **Commerce & Business Admin.** New Course Revision
 Program Area: **Business**
 If Revision, Section(s) Revised: **H**
 Date Last Revised: **19911-05:**
F,G,H,J,M,N,O,P,Q,R

C: FINC 340 D: Fundamentals of Financial Management E: 3

Subject & Course No.	Descriptive Title	Semester Credits
F: Calendar Description: This course provides an introduction to the general theoretical and practical aspects of financial management as they apply to the profit-oriented business organization. Topics addressed include: a general introduction to finance, the financial environment, security valuation, cost of capital, valuing risky financial assets, capital budgeting, internal and external financing, working capital management, capital structure, interest and exchange rate analysis, corporate restructuring and financial planning.		
G: Allocation of Contact Hours to Types of Instruction/Learning Settings Primary Methods of Instructional Delivery and/or Learning Settings: Lecture Number of Contact Hours: (per week / semester for each descriptor) Lecture: 4 Hrs. Total: 4 Hrs. Number of Weeks per Semester: 15 Weeks X 4 Hrs per week = 60 Hrs.	H: Course Prerequisites: ACCT 210 and BUSN 330 (CISY 110 is highly recommended). Effective September 2002, English 12 with a grade of "C" or better or equivalent.	
	I: Course Corequisites: nil	
	J: Course for which this Course is a Prerequisite: nil	
	K: Maximum Class Size: 35	
L: PLEASE INDICATE: <input type="checkbox"/> Non-Credit <input type="checkbox"/> College Credit Non-Transfer <input checked="" type="checkbox"/> College Credit Transfer: Requested <input type="checkbox"/> Granted <input checked="" type="checkbox"/>		
SEE BC TRANSFER GUIDE FOR TRANSFER DETAILS (www.bccat.bc.ca)		

M: Course Objectives/Learning Outcomes

At the end of the course, the successful student should be able to:

1. define and explain the roles and tasks of the financial manager;
2. describe and differentiate between the main organizational forms available to the business enterprise;
3. demonstrate a broad understanding of the financial environment within which the financial manager must operate;
4. demonstrate a broad understanding of the concepts, principles and uses of cost of capital;
5. demonstrate proficiency in the application of time value analysis knowledge to the practical valuation of risk-free assets and capital budgeting problems;
6. explain the general determinants of common and preferred stock prices, as well as bond pricing;
7. understand and compute the basic statistical measures of variability and demonstrate their general use in valuing risky financial assets;
8. demonstrate a broad understanding of the concepts, principles and procedures associated with net working capital management;
9. demonstrate a broad understanding of the concepts, principles, procedures and practices involved with debt and equity financing;
10. demonstrate a broad understanding of the theory of capital structure and its impact on management decision-making;
11. identify and explain the general determinants of interest rates and their relationship to foreign exchange rates;
12. demonstrate a broad understanding of the concepts, principles and procedures associated with corporate restructuring activities;
13. describe the key elements, objectives and benefits of the financial planning process;

N: Course Content

1. Financial Management
 - legal forms of organization
 - financial management, its evolution and the role of the financial manager
 - main objectives/tasks
2. The Financial Environment
 - tri-governmental influence
 - taxation
 - the financial system
 - national/international markets

- specialized markets
 - capital market efficiency
3. Security Valuation
 - time value of money, including compounding, discounting, general and complex annuities and amortization (brief review only)
 - sinking funds (review only)
 - the basics of valuation
 - bond and equity valuation
 4. Cost of Capital
 - the concept
 - determining factors and underlying assumptions
 - the mix
 - applications
 5. Capital Budgeting
 - cash flow determination (before and after tax)
 - non-discounted cash flow in capital budgeting decisions
 - discounted cash flow in capital budgeting decisions
 - applications
 6. Capital Budgeting Under Uncertainty
 - statistical measures of variability
 - methods for incorporating risk into CB
 7. Working Capital Management
 - general introduction
 - cash and marketable securities management
 - accounts receivable and inventory management
 - short-term financing (internal/external)
 8. Long-term Financing
 - general introduction
 - influencing factors
 - debt, including the mix available (an in-depth discussion)
 - equity, including the mix available (an in-depth discussion)
 - leasing, including lease versus buy
 - the underwriting process
 9. Capital Structure and Dividend Policy Decisions
 - analysis and impact of leverage
 - general capital structure theory and the financing mix
 - dividend policy
 10. Interest and Exchange Rate Analysis
 - the central banks of North America
 - determinants
 - significance for financial managers
 11. Corporate Restructuring

	<ul style="list-style-type: none"> - introduction - mergers and acquisitions - divestitures <p>12. Financial Planning</p> <ul style="list-style-type: none"> - as part of the business planning process - objectives - elements 															
O:	<p>Methods of Instruction</p> <p>Material will be presented within a lecture/discussion environment.</p>															
P:	<p>Textbooks and Materials to be Purchased by Students:</p> <ol style="list-style-type: none"> 1. Block, S.B. et al, <u>Foundations of Financial Management</u>, 2nd Cdn. Edition, Irwin, 1991. 2. Business calculator - recommend Texas Instruments BA 35 or BA II+. 															
Q:	<p>Means of Assessment</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 85%;">Term Examinations (2-3)</td> <td style="width: 10%; text-align: right;">45%</td> </tr> <tr> <td>2.</td> <td>Final Examination</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>3.</td> <td>Assignments (8-12)</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>4.</td> <td>Project(s)</td> <td style="text-align: right;"><u>10%</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">100%</td> </tr> </table>	1.	Term Examinations (2-3)	45%	2.	Final Examination	30%	3.	Assignments (8-12)	15%	4.	Project(s)	<u>10%</u>			100%
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		100%														
R:	<p>Prior Learning Assessment and Recognition: specify whether course is open for PLAR</p> <p>No.</p>															

Course Designer(s): **Joe Ilsever**

Education Council/Curriculum Committee Representative

Dean/Director: **Jim Sator**

Registrar: Trish Angus