

A. Division: APPLIED PROGRAMS Date: May 3, 1991

B. Department: COMMERCE & BUSINESS ADMINISTRATION New Course:

Revision of Course

Dated: _____

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.

Summary of Revisions:
 (Enter date and Section Revised)
 e.g. 1982-08-25
 Section C,E,F, and R.

1991-05-03 Section F,G,
 H,J,M,N,O,P,Q,R

G. Type of Instruction:	Hrs. Per Week/ Per Semester	H. Course Prerequisites:
Lecture/Discussion	4 Hrs.	BUS 330, ACC 210 CIS 110 highly recommended
Laboratory	_____ Hrs.	
Seminar	_____ Hrs.	I. Course Corequisites: N11
Clinical Experience	_____ Hrs.	
Field Experience	_____ Hrs.	J. Courses for which this Course is a Pre-requisite: N11
Practicum	_____ Hrs.	
Shop	_____ Hrs.	
Studio	_____ Hrs.	
Student Directed Learning	_____ Hrs.	
Other (Specify)	_____ Hrs.	
Total	4 Hrs.	K. Maximum Class Size: 35

L. College Credit Transfer M. Transfer Credit: Requested
 College Credit Non-Transfer Granted

CGA (plus Bus.330): Finance 1
 CMA (plus Bus.330): Finance 442
 (Specify Course Equivalents or
 Unassigned Credit as Appropriate)
 U.B.C.
 S.F.U.
 U. Vic.
 Other

Non-Credit

[Signature]
 Course Designer(s)

[Signature]
 Divisional Dean

[Signature]
 Director/Chairperson

[Signature]
 Registrar

NAME AND NUMBER OF COURSE

N. Textbooks and Materials to be Purchased by Students (Use Bibliographic Form):

1. Block, S.B. et al, Foundations of Financial Management, 2nd Cdn. Edition, Irwin, 1991.
2. Business calculator - recommend Texas Instruments BA 35 or BA III.

Complete Form with Entries Under the Following Headings: O. Course Objectives;

P. Course Content; Q. Method of Instruction; R. Course Evaluation

O. COURSE OBJECTIVES

Upon successful completion of this course, the student will 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;

NAME AND NUMBER OF COURSE

P. 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

NAME AND NUMBER OF COURSE

P. COURSE CONTENT Continued

- 10. Interest and Exchange Rate Analysis
 - the central banks of North America
 - determinants
 - significance for financial managers
- 11. Corporate Restructuring
 - introduction
 - mergers and acquisitions
 - divestitures
- 12. Financial Planning
 - as part of the business planning process
 - objectives
 - elements

Q. METHOD OF INSTRUCTION

Material will be presented within a lecture/discussion environment.

R. COURSE EVALUATION

1.	Term Examinations (2-3)	45%
2.	Final Examination	30%
3.	Assignments (8-12)	15%
4.	Project(s)	10%
		<u>100%</u>
