

A: Division: **INSTRUCTIONAL**  
 B: Faculty: **COMMERCE AND BUSINESS ADMINISTRATION**  
 Program: **BUSINESS**

Date: **JANUARY 1999**

New Course: **X**

Revision of Course Information form:

C) **FINC 345** D: **INTRODUCTION TO CORPORATE FINANCE** E: **3**

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Subject & Course No. Descriptive Title Semester Credit

F: **Calendar Description:** This course provides an introduction to corporate finance. It is designed to provide students with a framework to analyze problems that may arise when making corporate investment and financing decisions. The major topics include time value of money, the types of securities generally used, an introduction to capital markets, capital budgeting, capital asset valuations, and various types of corporate financing decisions. Canadian corporations operating in Asia will be used to demonstrate theory applications.

**Summary of Revisions:**

G: **Type of instruction: Hrs per week**

Lecture:	4	Hrs.
Laboratory:		Hrs.
Seminar:		Hrs.
Clinical Experience:		Hrs.
Field Experience:		Hrs.
Practicum:		Hrs.
Shop:		Hrs.
Studio:		Hrs.
Student Directed Learning:		Hrs.
Other (Specify):		
<b>Total:</b>	<b>4</b>	<b>Hrs.</b>
<b>Semester Total:</b>	<b>60</b>	<b>Hrs.</b>

H: **Course Prerequisites:**  
~~ACCT 230~~ **equivalent**

I: **Course Corequisites:**  
 Nil

J: **Course for which this Course is a Prerequisite:**  
 Nil

K: **Maximum Class Size:**  
 35

L: **College Credit Transfer**   
**College Credit Non-Transfer**   
**Non-Credit**

M: **Transfer Credit:** Requested:   
 Granted:

**Specify Course Equivalents or Unassigned Credit as appropriate:**

BCOU  
 SFU  
 UBC  
 UNBC  
 UVIC  
 Other:

Course Designer(s): **J. Ilsever**

Dean: **J. Sator**

Vice-President, Instruction: **J. McKendry**

Registrar: **P. Angus**

**N: TEXTBOOKS AND MATERIALS TO BE PURCHASED BY STUDENTS**

1. Block, S.B. and Hirt, G.A., and Short, J.D. Foundations of Financial Management, latest ed. Toronto: Irwin Publishing. (required)
2. Fischer, D.E. and Jordon, R.J. Security Analysis and Portfolio Management, latest ed. Toronto: Prentice Hall Canada. (optional)
3. Brown, R.L. and P. Zima. Mathematics of Finance, latest ed. Toronto: Irwin Publishing. (optional)
4. All students are required to have a financial business calculator.

**O: COURSE OBJECTIVES**

The student will be able to:

1. develop a basic understanding of all corporate finance theories and the application of such theory into simulated or historical financial management cases;
2. convert theory into application utilizing spreadsheet applications.

**P: COURSE CONTENT**

1. Financial analysis and planning
  - review of accounting
  - financial analysis and financial forecasting
  - operating and financial leverage
2. Working capital management
  - valuation and rates of return
3. Long-term financing
  - capital markets
  - investment underwriting
  - long-term debt and lease financing
  - common and preferred stock financing
  - dividend and dividend reinvestment policies
  - convertibles, warrants and options
  - stock splits
  - financial engineering

4. External growth, corporate takeovers and mergers
  - the multinational corporations
  - corporate takeovers and controls
  - business combinations
  
5. Foreign exchange risk
  - spot and forward rates
  - cross rates
  - foreign investment decisions
  
6. Company analysis
  - earnings forecasting
  - applied valuation
  - industry analysis
  - efficient market theory
  
7. Capital budgeting process
  - cost of capital

**Q: METHOD OF INSTRUCTION**

Material will be presented within a lecture format.

**R: COURSE EVALUATION**

Minimum of 3 evaluations, none of which will exceed 40%, for a total of 100%.

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