DEPARTMENT OF BUSINESS

COURSE OUTLINE – WINTER 2015

INTRODUCTION TO CORPORATE FINANCIAL MANAGEMENT

FN 3700 – 3 (3-0-0) 45 HOURS

INSTRUCTOR: Charles Backman    PHONE: 780 539 2846
OFFICE: C413                    E-MAIL: cbackman@gprc.ab.ca

OFFICE HOURS:
Mon: 6:00 PM – 7:30 PM
Tues: 10:00 AM – 11:30 AM

PREREQUISITE:
ST 1510 and AC 3110

REQUIRED TEXT/RESOURCE MATERIALS:

Sharp Business/Financial Calculator Model#-EL-738

CALENDAR DESCRIPTION:
The course provides a general corporate framework for financial decision making. It examines types of securities and basic methods of valuation and selection of physical and intellectual assets, operation of asset markets, market efficiency, risk measures and risk reduction methods, financing policy, including choices between debt and equity financing.

CREDIT/CONTACT HOURS:
This is a 3 credit course with 3 hours of lecture per week. Students are expected to attend all lectures.
DELIVERY MODE(S):
Lecture

OBJECTIVES (OPTIONAL):
To understand the objectives of statistics, the information that it generates, and how the information can be used in students’ business careers.

To create an awareness of different types of situations where it can be used to excel and compete in the field of business.

To develop the ability to use computer and computer software in order to present the information in a standard professional format.

The course provides an introduction to corporate financial management. The following topics will be covered:

- Financial Statements
- Valuation of Discounted Cash Flows
- Financial Asset Valuation
- Capital Budgeting
- Risk, Return and Capital Market Theory
- Cost of Capital and Long-Term Capital Structure
- Derivative Securities (Options)

TRANSFERABILITY:
** Grade of D or D+ may not be acceptable for transfer to other post-secondary institutions. Students are cautioned that it is their responsibility to contact the receiving institutions to ensure transferability.

EVALUATION:
Quizzes
Four Quizzes – 12%

Assignments
Three Assignments - 15%

Other
Professionalism – 3%

Exams
First Test 15%
Second Test 20%
Final Exam 35%
Final Exam takes place during the regular scheduled exam schedule April 16, 2015 – April 27, 2015

**GRADING CRITERIA:**
Grades will be assigned on the Letter Grading System.

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<th>Percentage Guidelines</th>
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**STUDENT RESPONSIBILITIES:**
Each student is expected to come to class on time, having read the material and completed the assignments. Note that participation marks will be based not only on the contribution made to the class by the student but also on professionalism exhibited. **Note:** The use of cell phones is unprofessional and is distracting to the instructor and fellow students.
STATEMENT ON PLAGIARISM AND CHEATING:
Refer to the College Policy on Student Misconduct: Plagiarism and Cheating at https://www.gprc.ab.ca/files/forms_documents/Student_Misconduct.pdf

**Note: all Academic and Administrative policies are available at https://www.gprc.ab.ca/about/administration/policies/**

COURSE SCHEDULE/TENTATIVE TIMELINE:
Week 1 December 29 – Jan 2

• No classes

Week 2 Jan 5-9 (First Class is Jan. 7 – Wednesday)

• Introduction (Distribute course outline)

Week 3 Jan 12-16

Hand out Quiz ONE

• Financial Statements
Reference: Chapter 1, 2, 3, 5
• Time Value of Money
Reference: Chapter 5

Week 4 Jan 19-23

Hand in Quiz ONE

Hand out Quiz TWO

Hand out Assignment ONE

• Discounted Cash Flow Valuation
Reference: Chapter 6
• Interest Rates and Bond Valuation
Reference: Chapter 7 and Appendix A

Week 5 Jan 26-30

• Interest Rates and Bond Valuation

Reference: Chapter 7 and Appendix A

• Stock Valuation

Reference: Chapters 8

**Hand in Assignment ONE**

**Hand in Quiz TWO**

Week 6 Feb 2-6

**Test 1 (Weeks 1 through 5) (Wednesday)**

Week 7 Feb 9-13

• Net Present Value

Reference: Chapter 9

• Capital Budgeting

Reference: Chapter 10

Week 8 Feb 16-20

Reading week

Week 9 Feb 23-27

**Hand out Quiz THREE**

**Hand out Assignment TWO**

• Project Analysis and Evaluation

Reference: Chapter 11
• Capital Markets
Reference: Chapter 12

Week 10 Mar 2-6
• Return, Risk and the Security Market Line
Reference: Chapter 13

Hand in Quiz THREE
Hand in Assignment TWO

Week 11 Mar 9-13
Hand out Quiz FOUR
Hand out Assignment THREE
• Cost of Capital
Reference: Chapter 14

Review for Test 2

Week 12 Mar 16-20
Test 2 (Weeks 6 through 11) (Monday)

Raising Capital
Reference: Chapter 15

Week 13 Mar 23 – 27
• Financial Leverage and Capital Structure Policy
Reference: Chapter 16
Week 14 Mar. 30 –April 3
  • Dividend Policy
Reference: Chapter 17
  • Options
Reference: Chapter 25 & App. A

Week 15 Apr 6-10
  • Options
Reference: Chapter 25 & App. A

**Hand in Quiz FOUR**

**Hand in Assignment THREE**

Week 16 April 13-14
  • Review
    • The instructor reserves the right to change or cancel any of these dates and topics.

**April 16 to April 27 FINAL EXAM (DATE TBA)**

COMPREHENSIVE
Final Exam will include all chapters covered.

**Modified:** January 5, 2015