

Grande Prairie Regional College
Department of Arts, Commerce and Education
Course Outline
FN 3700 (3)
Introduction to Corporate Financial Management
Winter 2002

Instructor: Ken Riley
 Office: C307
 Office hours: Tues. & Thurs. 10 – 11:30 AM or by appointment
 Telephone: (w) 539-2017; (h) 532-7849
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Time and Place: Monday 13:00 – 14:20
 Friday 11:30 – 12:50
 B208

Course Description:

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

Prerequisites:

- MA 1130, MS 3010 and AC 3110.

Content Description:

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

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

The learning objectives for this course are as follows:

- To understand and apply the concepts of corporate finance at an introductory level.
- To develop your analytic abilities.

Course Materials:

Ross, Westerfield, Jordan and Roberts,
Fundamentals of Corporate Finance, 4th Canadian Edition.
Toronto: Irwin (2002).

Regular reading of the Globe and Mail, the Financial Post, and other financial papers is encouraged.

Evaluation:

The grading system employed in this course will be:

Assignments &/or quizzes (5% each).....	20%
Participation/attendance.....	10%
Midterm Examinations	40%
Final Examination	30%

Assignments &/or Quizzes:

Four assignments/quizzes will be assigned during the year to confirm the progress of the student. Each assignment will be due at the beginning of the class on the due date.

Participation:

Each student is expected to come to class having read the material and completed any assignments. Marks will be based on the contribution made to the class by the student; note that both quantity and quality of the contribution will be assessed. You will be called upon to answer questions during class. You may be asked for informal exercises or assignments to be handed in on a random basis. As well, you are responsible for obtaining any notes or handouts you may have missed due to an absence.

Midterm Examinations:

Midterm examinations are scheduled for the week of Feb. 4th and Mar. 11th.

Final Examination:

A final examination will be held with time and place to be announced.

COURSE TIMELINES:

Week of:

January 1: General Introduction
Chapter 1

January 7: Chapter 2 & 3

January 14: Chapter 5 & 6

January 21: Chapter 7

January 28: Chapter 8

February 4: Chapter 9
Mid Term Exam #1

February 11: Chapter 10

February 18: Chapter 11

February 25: Reading Week

March 4: Chapter 12

March 11: Mid Term Exam #2
Chapter 13

March 18: Chapter 14

March 25: Chapter 16

April 1: Chapter 17

April 8: Chapter 25

Note: Dates are approximate and may vary slightly.