



DEPARTMENT Business & Office Administration

COURSE OUTLINE – Fall 2023

BA2030 (B2): Financial Management – 3 (3-0-0) UT 45 Hours for 15 Weeks

Northwestern Polytechnic acknowledges that our campuses are located on Treaty 8 territory, the ancestral and present-day home to many diverse First Nations, Metis, and Inuit people. We are grateful to work, live and learn on the traditional territory of Duncan's First Nation, Horse Lake First Nation and Sturgeon Lake Cree Nation, who are the original caretakers of this land.

We acknowledge the history of this land, and we are thankful for the opportunity to walk together in friendship, where we will encourage and promote positive change for present and future generations.

INSTRUCTOR: Nicholas Whalen, CPA, MPAcc **PHONE:** (780) 539-5947
OFFICE: C310 **E-MAIL:** nwhalen@nwpolytech.ca
OFFICE HOURS: Monday 1:00 PM – 2:30 PM and Thursday 11:30 am – 1:00 pm or by appointment

CALENDAR DESCRIPTION:

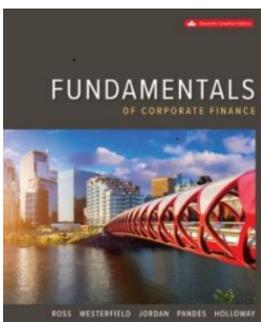
The objectives of financial management and financial decision making are explored in this course. The approach is practical in nature with an emphasis on cash flow analysis, working capital management, and financial planning.

PREREQUISITE(S): BA1120 Principles of Accounting & BA1050 Business Mathematics

REQUIRED TEXT/RESOURCE MATERIALS:

1. PRINT TEXT/E-BOOK + CONNECT

Ross S.A., Westerfield R.W., Jordan B.D., Roberts G.S., Pandes J.A., Holloway T.A. (2019). *Fundamentals of corporate finance*, Eleventh Canadian Edition. McGraw Hill Ryerson Limited.



This text/e-Book includes Connect with SmartBook Online Access. The text/e-Book will be used extensively. Student's must purchase the McGraw Hill Connect (Connect) print text/e-Book with SmartBook online access. Students must have a Connect access code to access online course resources used for evaluations for the duration of the course. It is the student's choice if they purchase a new print text with a Connect access code *or* an e-Book with a Connect access code. If students purchase a used print text, a Connect access code must be purchased separately. Note: the time zone in Connect must be set to Canada/Mountain time for duration of course. Students must download and utilize Proctorio through McGraw Hill Connect for the duration of course. Connect Supports several operating systems and browsers. See required Connect operating systems and browsers at <https://mhedu.force.com/CXG/s/article/McGraw-Hill-System-Requirements-HigherEd> . Google Chrome with auto-updates enabled is the recommended web browser for Connect.

2. FINANCIAL CALCULATOR

Students will require a financial calculator. Students may use only approved calculators for examinations. Cell phones and programmable calculators may not be used in testing or examinations. Approved financial calculators include:

- a. Sharp (EL-738) (used in BA1050),
- b. Texas Instruments (BA II Plus), or
- c. Hewlett-Packard (HP-10B II),

3. DEVICE, SOFTWARE & NETWORK REQUIREMENTS

A device must meet or exceed the following specifications, including the following software apps and internet capacity to participate in online course content: see NWP requirements at <https://www.nwpolytech.ca/doc.php?d=TECHREQ> and Connect requirements at <https://mhedu.force.com/CXG/s/article/McGraw-Hill-System-Requirements-HigherEd>

4. COURSE MANAGEMENT SYSTEM:

NWP uses myClass (D2L/Brightspace) online course management system. In myClass, see the BA2030 course home page for important course information. To access visit <https://myclass.gprc.ab.ca/d2l/home>

DELIVERY MODE(S): On-campus (attend on-campus, in-person)

This type of course will be delivered on campus in a specific location which will be indicated on the student timetable. Students are expected to fully attend in person.

LEARNING OUTCOMES:

Upon completion of this course, the student will be able to:

Introduction to Corporate Finance

- Describe the basic types of financial management decisions and the role of the financial manager.
- Recognize the financial implications of the different forms of business organization.
- Summarize the goals of financial management.
- Discuss the conflicts of interest that can arise between managers and owners.

Financial Statements, Cash Flow, and Taxes

- Demonstrate the differences between accounting value (or “book” value) and market value.
- Identify the differences between accounting income and cash flow.
- Determine a firm’s cash flow from its financial statements.
- Demonstrate the difference between average and marginal tax rates.
- Describe the concepts of Capital Cost Allowance (CCA) & Undepreciated Capital Cost (UCC).

Working with Financial Statements

- Identify the sources and uses of a firm’s cash flows.
- Prepare standardized financial statements for comparison purposes.
- Compute and interpret common financial ratios.
- Identify and discuss the determinants of a firm’s profitability.
- Identify and examine some of the issues in financial statement analysis.

Long-term Financial Planning and Corporate Growth

- Discuss the objectives & goals of financial planning.
- Compute the external financing needed to fund a firm’s growth.
- Prepare pro-forma financial statements by applying the percentage sales method.
- Compute the sustainable and internal growth rates.
- Identify and examine some of the problems in planning for growth.

Introduction to Valuation: The Time Value of Money

- Determine the future value of an investment made today.
- Determine the present value of cash to be received at a future date.
- Demonstrate how to find the return on an investment.
- Calculate rates of return and the number of periods to reach the desired value.

Discounted Cash Flow Valuation

- Determine & calculate the future and the present value of investments with multiple cash flows.
- Demonstrate how loan payments are calculated and how to find the interest rate on a loan.
- Compute loan amortization and payments.
- Describe how interest rates are quoted (and misquoted).

Net Present Value and Other Investment Criteria

- Compute the net present value and explore its value when making investment decisions.
- Apply and compute the payback rule and discuss its shortcomings.
- Apply and compute the discounted payback rule and discuss its shortcomings.
- Apply the internal rate of return and discuss its strengths and weaknesses.
- Apply the profitability index and explain its relation to net present values.
- Explain how capital rationing affects the ability of a company to accept projects.

Making Capital Investment Decisions

- Determine relevant cash flows for a proposed project.
- Demonstrate how to project cash flows and determine project viability.
- Calculate operating cash flow using alternative methods.
- Calculate the present value of a tax shield on CCA.
- Evaluate cost-cutting proposals and analyze replacement decisions.

Short-term Finance and Planning

- Explain the operating and cash cycles and their importance.
- Discuss short-term financial policy and the essentials of short-term financial planning.
- Identify and list the sources and uses of cash on the balance sheet.
- Complete a cash budget.
- Describe the different types of short-term borrowing.

Cash and Liquidity Management

- Identify the advantages and disadvantages of holding cash and some of the ways to invest idle cash.
- Explain how firms manage their cash, and the collection and disbursement techniques utilized.
- Review the importance of float and how it affects the cash balances.

TRANSFERABILITY:

Please consult the Alberta Transfer Guide for more information. You may check to ensure the transferability of this course at the Alberta Transfer Guide main page <http://www.transferalberta.ca>.

**** 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.**

EVALUATIONS:

Connect Assignments	30%
Quizzes (2 @ 5% each)	10%
Term Tests	30%
Final Examination* (Comprehensive) (120 minutes)	30%
Total	100%

*In order to receive credit for BA 2030, you must achieve 50 percent on the final examination, and a course composite grade of at least D (50%). Students are encouraged to complete all assignments, tests, and exams. Students will receive a zero (0) for any missed assignments, quizzes, and examinations(s). Extra work is not assigned. There are no re-writes, deadline extensions, or bonus assignments available to improve your grade. Connect grades are posted to myClass grades within five days after the due date. Please check your myNWP account for your final letter grade after course completion.

GRADING CRITERIA:

Please note that most universities will not accept your course for transfer credit **IF** your grade is **less than C-**.

Alpha Grade	4-point Equivalent	Percentage Guidelines	Alpha Grade	4-point Equivalent	Percentage Guidelines
A+	4.0	95-100	C+	2.3	67-69
A	4.0	85-94	C	2.0	63-66
A-	3.7	80-84	C-	1.7	60-62
B+	3.3	77-79	D+	1.3	55-59
B	3.0	73-76	D	1.0	50-54
B-	2.7	70-72	F	0.0	00-49

COURSE SCHEDULE/TENTATIVE TIMELINE:

The schedule is tentative and may vary slightly at the discretion of the instructor.

Week of...	Required Text Readings
Sept 3	Course Outline and Chapter 1
Sept 10	Chapter 2 Financial Statements, Cash Flow, and Taxes
Sept 17	Chapter 3 Working with Financial Statements
Sept 24	Chapter 3 & 4 Long-term Financial Planning and Corporate Growth
Oct 1	Chapter 4 Long-term Financial Planning and Corporate Growth
Oct 8	Thanksgiving Holiday (Oct 9) Chapter 5 Introduction to Valuation & Term Test
Oct 15	Term Test I Chapter 6 Discounted Cash Flow Valuation
Oct 22	Chapter 6 & 9 Net Present Value and Other Investment Criteria
Oct 29	Chapter 9 Net Present Value and Other Investment Criteria
Nov 5	Chapter 10 Making Capital Investment Decisions
Nov 12	Fall Break
Nov 19	Chapter 10 Making Capital Investment Decisions
Nov 26	Chapter 10 Making Capital Investment Decisions Term Test II
Dec 3	Chapter 18 Short-term Finance and Planning
Dec 10	Chapter 19 Cash and Liquidity Management
Dec 17	Comprehensive Final Exam (All Chapters) (120 minutes)

STUDENT RESPONSIBILITIES:

Registered students are expected to abide by the rules and regulations of the Polytechnic. As students, rights apply to the Polytechnic in terms of what students are expected to know, expect and receive in all aspects of their period of study at NWP. The standards of student responsibilities apply to all students in terms of what they are expected to take responsibility for and how to conduct themselves during their period of study at NWP. There are no exceptions to this policy. It is the student's responsibility to be fully acquainted with and adhere to NWP's policies, procedures or rules; see <https://www.nwpolytech.ca/about/administration/policies/>.

Attendance

Students are expected to attend all scheduled classes, arrive on time, and remain for the duration of the scheduled class. Students may be refused permission to write the final examination on the advice of the instructor. This usually happens when absences are more than four absences (2 weeks), *or* if significant assessments like assignments, quizzes, tests, and/or exams are not completed; see Final Examination Policy; <https://www.nwpolytech.ca/about/administration/policies/>.

Attendance will be taken in class. Tardiness will be treated as an absence. Students may review their attendance on myNWP. During class time, it is expected that students will work on the BA2030 course material. Course materials (course outline, schedule information, assignments, PowerPoints, etc.) and announcements will be published in myClass, McGraw Hill Connect (Connect), and NWP Webmail. Students are responsible for checking all three of these resources regularly: two to five times per week.

Time Management

The expectation for this course is that students read/review the course material before class. Adopting and adhering to effective learning habits in this course will likely take up a great deal of time so plan your schedule accordingly. See Course Schedule/Tentative Timeline section above.

Recording

Recording lectures or taking photos in class is prohibited unless advance permission is obtained from the instructor and any guest presenter(s). In the event permission is granted, such recordings may only be used for individual study, and may not be reproduced, transferred, distributed, or displayed in any public manner. Any images taken without instructor consent will need to be deleted immediately.

Webmail

Students may contact the instructor by webmail. Webmail will be answered within two business days outside of stated office hours. Webmail correspondence must be sent to your instructor from your NWP Webmail account. Webmail should be professionally formatted with correct spelling and grammar. Webmail must include a subject line and reference to the course code and material(s) and/or textbook pages, etc.

Copyright

NWP respects Canadian and International laws and agreements with respect to the use of copyright materials. It is the responsibility of the individual using copyrighted materials to ensure said use is compliant with Canadian law, the Use of Copyright Materials Policy, and the Copyright Practices Guide for NWP instructors and Staff. See <https://www.nwpolytech.ca/about/administration/policies/>

STATEMENT ON ACADEMIC MISCONDUCT:

Academic Misconduct will not be tolerated. For a more precise definition of academic misconduct and its consequences, refer to the Student Rights and Responsibilities policy available at <https://www.nwpolytech.ca/about/administration/policies/index.html>.

**Note: all Academic and Administrative policies are available on the same page.

Additional Information: Study Skills Hub

Adopting and adhering to effective learning habits in this course will likely take up a great deal of time so plan your schedule accordingly. The NWP Study Skills Hub will help you develop the skills you need to succeed in your program. Click on the following link for free access: <https://libguides.nwpolytech.ca/learningportal/studyskills>