



**DEPARTMENT Business Administration**

**COURSE OUTLINE – WINTER 2018**

**BA2230 (A3): Finance II – (3-0-0) UT 45 Hours for 15 Weeks**

**INSTRUCTOR:** Abigail (Abby) Head      **PHONE:** 780-539-2712  
**OFFICE:** C304      **E-MAIL:** ahead@gprc.ab.ca  
**OFFICE HOURS:** Monday 1-2PM & Wednesday 11-12PM or by appointment

**CALENDAR DESCRIPTION:**

This course is a study of the objectives of financial management and the related role and responsibilities of the financial manager. The approach is practical in nature with references to the development of theories in finance. The various applications of funds by the firm are explored in this sequential course using a corporate framework.

**PREREQUISITE(S)/COREQUISITE:** BA2030

**REQUIRED TEXT/RESOURCE MATERIALS:**

- Block, Hirt, Danielsen, Short, and Perretta (2015). Foundations of Financial Management. 10<sup>th</sup> Canadian Edition, McGraw-Hill Ryerson Limited.
- Financial Calculator

**DELIVERY MODE(S):**

BA2230 is a 3 credit course consisting of 45 hours of instruction. The material in this course will be presented through lecture and hands on application. A number of questions will be used in each class to demonstrate concepts covered. Please ensure that you bring your textbook and financial calculator to every class.

**COURSE OBJECTIVES:**

The objectives of this course are:

1. To gain an understanding of the finance function in the business firm within a Canadian context
2. To create an awareness and appreciation of the problems, issues and decisions confronting financial managers today
3. To develop the ability to apply analytical tools in the identification and resolution of financing problems and in financial decision-making generally
4. To develop an understanding of the principles, issues and analytical tools related to the valuation of securities, capital projects and capital structure
5. To identify the major elements of the funds allocation process within the corporation and to apply them in decision-making

## LEARNING OUTCOMES:

The outcomes of this course are:

1. The student will have the ability to do financial management within the firm or in a public institution at a junior level.
2. The student will be capable of doing capital budgeting and long-term financing within the context of a private firm.
3. Participants will be able to use a weighted cost of capital application, to have an understanding of bond finance and to work out the cost of preferred and common stock.
4. The student will develop an understanding of a firm's optimal capital structure using the CAPM model and the Modigliani Miller theorem.
5. The student will be able to evaluate investment proposals using average accounting return, the payback method, net present value, the internal rate of return or a profitability index.
6. An understanding will be developed towards dealing with corporate risk using sensitivity analysis, decision trees, and portfolio correlations.
7. Participants will be able to understand financial markets in terms of the efficient markets hypothesis and securities regulation.
8. An understanding of bond, stock, lease, and loan financing will be attained. As well students will learn how to analyze the issuing of stock rights
9. Students will be familiar with the issue of a firm's dividend policy versus the usage of retained earnings.
10. A knowledge of derivative securities will be attained in terms of the pricing of options.

## TRANSFERABILITY:

University of Lethbridge

Grant MacEwan University

Other (transfers in combination with other courses or to other institutions)

This course meets the pre-requisite requirements for the CPA program.

**\*Warning:** Although we strive to make the transferability information in this document up-to-date and accurate, **the student has the final responsibility for ensuring the transferability of this course to Alberta Colleges and Universities.** Please consult the Alberta Transfer Guide for more information. You may check to ensure the transferability of this course at Alberta Transfer Guide main page <http://www.transferalberta.ca> or, if you do not want to navigate through few links, at <http://alis.alberta.ca/ps/tsp/ta/tbi/onlineSearch.html?SearchMode=S&step=2>

**\*\* 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:

The grading system will be as follows:

Assignments and Quizzes	30%
Midterm Examination 1	20%
Midterm Examination 2	20%
Final Examination	30%

## EXAMINATIONS:

- Midterm #1 will be written at the completion of chapter 12; approximately week 6 or 7.
- Midterm #2 will be written at the end of chapter 16; approximately week 12.
- Final exam will be cumulative and will account for 30% of final grade.

The final exam is scheduled by the Registrar's Office during exam week(s). The Instructor does not set the date of final exam. **Do not plan any activities during examination week.**

**All Assignments, Quizzes, Mid-terms and Finals will be written as scheduled.**

## 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	90-100		C+	2.3	67-69
A	4.0	85-89		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:**

Dates are approximate and may be changed by the instructor

### **Week of:**

January 1	General Introduction
January 8	Chapter 9 & 10 - Review Time Value of Money and Valuation
January 15	Chapter 11 - Cost of Capital
January 22	Chapter 11 – CAPM, Modigliani Miller Theorem
January 29	Chapter 12 – Capital Budgeting Decisions
February 5	Chapter 12 – Capital Budgeting Decisions

### **MIDTERM #1**

February 12	Chapter 13 – Risk and Capital Budgeting
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**February 19** Family Day and Mid Term Break

February 26	Chapter 13 – Risk and Capital Budgeting
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March 5	Chapter 14 – Capital Markets
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March 12	Chapter 16 – Long term Debt and leasing
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March 19	Chapter 16 – Mortgage Financing
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### **MIDTERM # 2**

March 26	Chapter 17 – Common and Preferred Stock Financing
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March 30 /April 2	Chapter 18 – Dividend Policy and Retained Earnings
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April 2	Chapter 19 – Derivative Securities and Review
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## **STUDENT RESPONSIBILITIES:**

Students are expected to attend lectures and complete problems. Grande Prairie Regional College Calendar Academic Regulations indicate that; “You may be **refused permission to write a final examination** in a course on the advice of the instructor concerned. This usually happens when absences are excessive (more than 6) or if significant parts of required assignments or lab work are not completed.” Note that repeated lateness will be viewed as similar to an absence in class. Final examinations will be scheduled by the registrar’s office. Do not plan any activities during examination week.

## **STATEMENT ON PLAGIARISM AND CHEATING:**

Cheating and plagiarism will not be tolerated and there will be penalties. For a more precise definition of plagiarism and its consequences, refer to the Student Conduct section of the College Admission Guide at <http://www.gprc.ab.ca/programs/calendar/> or the College Policy on Student Misconduct: Plagiarism and Cheating at <http://www.gprc.ab.ca/about/administration/policies/>

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