



DEPARTMENT OF BUSINESS AND OFFICE ADMINISTRATION

COURSE OUTLINE – WINTER 2017

BA2230 FINANCE II (3-0-0) UT 45 HOURS

INSTRUCTOR: Jeff Nutting

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HOURS: *Click here to enter text.*

CALENDAR DESCRIPTION:

This course is the study of the objectives of financial management and the related role and responsibilities of the financial manager. The approach is practical in nature with reference to the development of theories of 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 and Short (2012). Foundations of Financial Management. 10th 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.

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:

6. The student will have the ability to do financial management within the firm or in a public institution at a junior level.
7. The student will be capable of doing capital budgeting and long term financing within the context of a private firm.
8. 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.
9. The student will develop and understanding of a firms optimal capital structure using the CAPM model and the Modigliani Miller theorem.
10. 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.
11. An understanding will be developed towards dealing with corporate risk using sensitivity analysis, decision trees and portfolio correlations.
12. Participants will be able to understand financial markets in terms of the efficient markets hypothesis and securities regulation.
13. 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
14. Students will be familiar with the issue of a firm's dividend policy versus the usage of retained earnings.

15. A knowledge of derivative securities will be attained in terms of the pricing of options.

TRANSFERABILITY:

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

*** 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 at the end of week 5. Midterm #2 will be written at the end of chapter 16, approximately at the end of week 11. The final exam will be cumulative. The final exam will be scheduled by the registrar's office for the period in April. Please do not schedule any other activities during this period.

All quizzes, mid-terms and finals will be written as scheduled.

GRANDE PRAIRIE REGIONAL COLLEGE			
GRADING CONVERSION CHART			
Alpha Grade	4-point Equivalent	Percentage Guidelines	Designation
A ⁺	4.0	90 - 100	EXCELLENT
A	4.0	85 - 89	
A ⁻	3.7	80 - 84	FIRST CLASS STANDING
B ⁺	3.3	77 - 79	
B	3.0	73 - 76	GOOD
B ⁻	2.7	70 - 72	
C ⁺	2.3	67 - 69	SATISFACTORY
C	2.0	63 - 66	
C ⁻	1.7	60 - 62	
D ⁺	1.3	55 - 59	MINIMAL PASS
D	1.0	50 - 54	
F	0.0	0 - 49	FAIL
WF	0.0	0	FAIL, withdrawal after the deadline

COURSE SCHEDULE/TENTATIVE TIMELINE:

Week of:

January 2	General Introduction
January 9	Chapter 9 & 10 Review Time Value of Money and Valuation
January 16	Chapter 11 - Cost of Capital
January 23	Chapter 11 - CAPM, Modigliani Miller Theorem
January 30	Chapter 12 - Capital Budgeting Decisions
February 6	Chapter 12 - Capital Budgeting Decisions

MIDTERM #1

February 13	Chapter 13 - Risk and Capital Budgeting
February 20	Family Day and Mid Term Break
February 27	Chapter 13 - Risk and Capital Budgeting
March 6	Chapter 14 - Capital Markets
March 13	Chapter 16 - Long term Debt and Leasing
March 20	Chapter 16 - Mortgage Financing

MIDTERM # 2

March 27	Chapter 17 - Common and Preferred Stock Financing
April 3	Chapter 18 - Dividend Policy and Retained Earnings
April 3	Chapter 19 - Derivative Securities and Review

**Dates are approximate and may be changed by the instructor*

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:

*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 www.gprc.ab.ca/about/administration/policies/***

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