



**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:**

Ross, Stephen A., Westerfield, Randolph, Jordan, Bradford, Roberts, Gordon. Fundamentals of Corporate Finance. 2013. 8<sup>th</sup> Canadian Edition. McGraw-Hill Ryerson. Toronto, ON.

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.

GRANDE PRAIRIE REGIONAL COLLEGE			
GRADING CONVERSION CHART			
Alpha Grade	4-point Equivalent	Percentage Guidelines	Designation
A <sup>+</sup>	4.0	90 – 100	EXCELLENT
A	4.0	85 – 89	
A <sup>-</sup>	3.7	80 – 84	FIRST CLASS STANDING
B <sup>+</sup>	3.3	77 – 79	
B	3.0	73 – 76	GOOD
B <sup>-</sup>	2.7	70 – 72	
C <sup>+</sup>	2.3	67 – 69	SATISFACTORY
C	2.0	63 – 66	
C <sup>-</sup>	1.7	60 – 62	
D <sup>+</sup>	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

### 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](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