



Grande Prairie Regional College

Department of Business

COURSE OUTLINE – Winter 2009

FN 3700 3 (3-0-0) UT

Introduction to Corporate Financial Management

Instructor	Jenny Head	Phone	539-2857 (Office)
Office	C307	E-mail	jhead@gprc.ab.ca
Office Hours	Wednesday 10-12 pm Thursday 9-11 am		

Prerequisite(s)/co requisite(s):

ST 1510 and AC 3110

Required Text/Resource Materials:

Ross, Westerfield, Jordan and Roberts. **Fundamentals of Corporate Finance.** 2007. 6th Canadian Edition. Irwin, Toronto, Ont.

Sharp Business/Financial Calculator Model#-EL-738

Credit/Contact Hours:

This is a 3 credit course with 3 lecture hours per week.

Transferability:

UA, UC, UL, AU, CU, KUC

Students can also refer to the Alberta Transfer Guide at <http://www.acat.gov.ab.ca> for a list of institutions. Students are however *strongly advised* to check with the receiving institution for more details and to ensure transferability.

Delivery Mode(s):

Lecture

Blackboard:

Blackboard is a Learning Management System used to help improve communications between the student and instructor. Important dates, announcements and grades will be posted on Blackboard. The grades posted on Blackboard are not final, check your GPRC account for your final term grade.

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.

Objectives:

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)

Assignment, Quiz, Test and Exam Policies:

- Assignments will be handed in at the beginning of class on the due date. The penalty for late submission will be 10% per day.
- Quizzes will be given throughout the year. It is anticipated that there will be 4 quizzes.
- Calculators and approved translation devices are the only electronic devices allowed during quizzes, tests or examinations.
- Major tests are tentatively scheduled for February 11, 2009 and March 30, 2009.
- Final examinations will be written in the gym and scheduled by the Registrar during the period April 16 –April 27 2009. DO NOT PLAN ANY ACTIVITIES DURING THIS PERIOD.

Participation:

Each student is expected to come to class having read the material and completed the 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.

Grading Criteria:

Participation	5%
Assignments/Quizzes	25%
Term Test 1	20%
Term Test 2	20%
Final Examination	30%
Total	100%

Grades will be assigned on a Letter Grading System using the following chart:

Grading Conversion Chart

Alpha Grade	4-point Equivalent	Percentage Guidelines	Designation
A+	4	90 - 100	EXCELLENT
A	4	85 - 89	
A-	3.7	80 - 84	FIRST CLASS STANDING
B+	3.3	76 - 79	
B	3	73 - 75	GOOD
B-	2.7	70 - 72	
C+	2.3	67 - 69	SATISFACTORY
C	2	64 - 66	
C-	1.7	60 - 63	
D+	1.3	55 - 59	MINIMAL PASS
D	1	50 - 54	
F	0	0 - 49	FAIL

Course Schedule/Timeline:

<u>Week</u>	<u>Topic</u>	<u>Required Reading</u>
January 4	Introduction	
January 11	Financial Statements Time Value of Money	Chapter 1, 2, 3 Chapter 5
January 18	Discounted Cash Flow Valuation Quiz #1 Interest Rates and Bond Valuation	Chapter 6 Chapter 7 & App. A (Skip 7.7)
January 25	Interest Rates and Bond Valuation Stock Valuation	Chapter 7 Chapter 8
February 1	Stock Valuation Quiz #2 Net Present Value	Chapter 8 Chapter 9
February 8	Net Present Value TERM TEST #1 (Feb 11)	Chapter 9 Chapters 1-3, 5-9
February 15	Winter Semester Break	No Classes
February 22	Capital Budgeting Project Analysis and Evaluation Capital Markets	Chapter 10 Chapter 11 (11.1, 11.2, 11.6) Chapter 12
March 1	Capital Markets Return, Risk and the Security Market Line Quiz #3 Cost of Capital	Chapter 12 Chapter 13 Chapter 14 (14.1-14.5, 14.7)
March 8	Cost of Capital Raising Capital	Chapter 14 Chapter 15

March 15	Raising Capital Capital Structure	Chapter 15 Chapter 16
March 22	Capital Structure Quiz #4 & Review	Chapter 16
March 29	Term Test #2 (March 30) Dividend Policy	Chapters 10-16 Chapter 17
April 5	Options	Chapter 25 & App. A (25.1-25.3, 25.8)
April 12	Review	
April 16 to April 27	FINAL EXAM (DATE TBA)	COMPREHENSIVE Final Exam will include all chapters covered.

(Dates are approximate and may vary slightly at the discretion of the instructor.)

Statement on Plagiarism:

Plagiarism will not be tolerated and, as such, any submitted work may be investigated for this possibility. Please ensure you read and understand the College's policy on plagiarism as published in the 2008/2009 Calendar. If you have questions on whether or not you might be violating this policy, please discuss this with your instructor before you submit your assignment.