



# Grande Prairie Regional College

## School of Business

### Department of Business

**Course Outline**  
**FN 3700 (3-0-0) UT 45 Hours**  
**Introduction to Corporate Financial Management**  
**Winter 2008**

**Instructor:** Ken Riley Phone: 539-2017  
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Office hours: Mon. 11:00am – 12:30pm  
Wed. 10 – 11:30am  
or by appointment

**Time and Place:** Monday & Wednesday: 14:30 – 15:50 PM B202

**Prerequisites:** ST 1510 and AC 3110.

**Transfers To:** UA, UC, UL, AU, ConUC, KUC,

**Credit/Contact Hours:** 3

**Delivery Mode:** Lecture

#### **Course Description:**

The course provides a general corporate framework for financial decision-making. It examines types of securities and basic methods of valuation, 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.

#### **Course 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)

The learning objectives for this course are as follows:

- To understand and apply the concepts of corporate finance at an introductory level in the above topics.
- To develop your analytic abilities.

**Course Materials:**

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

Sharp Business/Financial Calculator Model#-EL-733A

Solutions Manual for problems will be posted on Blackboard after discussion in class.

Regular reading of the Globe and Mail, the Financial Post, and other financial papers is encouraged.

**Evaluation:**

The grading system employed in this course will be:

Assignments/Quizzes .....	25%
Participation .....	5%
Midterm Examinations (2) .....	40%
Final Examination .....	30%

A grading conversion chart follows at the end of this section.

*Assignments/Quizzes:*

A number of homework assignments & quizzes will be assigned during the year, many, if not all, will be administered online. Due dates will be announced in class.

*Participation:*

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

*Midterm Examinations:*

Midterm examinations are scheduled for Feb. 11<sup>th</sup> and March 26<sup>th</sup>.

*Final Examination:*

A final examination will be held with time and place to be announced.

**Grading Conversion Chart**

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

**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 2007/2008 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.

## **COURSE TIMELINES:**

**Week of:**

- January 7:** Introduction. Ch 1, 2 & 3 – Financial Statements  
Chapter 5 – Discounted Cash Flow Analysis
- January 14:** Chapter 5 & 6
- January 21:** **Quiz #1**  
Chapter 7 & App. A (skip 7.7) – Bond Valuation
- January 28:** Chapter 8 – Stock Valuation
- February 4:** **Quiz #2**  
Chapter 9 – Capital Budgeting
- February 11:** **Mid Term Exam #1**  
Chapter 10 – Capital Budgeting
- February 18:** **Family Day/Reading Week**
- February 25:** Chapter 11(11.1, 11.2, 11.6)/12 Cap. Bud. & Capital Markets  
Chapter 13 – Return, Risk and Security Market Line
- March 3:** **Quiz #3**  
Chapter 14 (14.1-14.5, 14.7) – Cost of Capital
- March 10:** Chapter 15 – Raising Capital  
Chapter 16 – Capital Structure
- March 17:** Chapter 16 – Capital Structure
- March 24:** **Quiz #4 & Review**  
**Mid Term Exam #2**
- March 31:** Chapter 17 – Dividend Policy  
Chapter 25 (25.1-25.3, 25.8, App. 25A) – Options
- April 7:** Chapter 25- Options & **Quiz #5**  
Review

**Note: Dates are approximate and may vary slightly.**