



DEPARTMENT OF BUSINESS

COURSE OUTLINE – WINTER 2013

FN3700 - Introduction to Corporate Financial Management

INSTRUCTOR: Charles A.
Backman

PHONE: 780 539 2846

OFFICE: C413

E- cbackman@gprc.ab.ca

MAIL:

OFFICE

HOURS: T. W. – 10:00 – 11:20 AM

PRE or CO - REQUISITE(S):

ST 1510 and AC 3110

REQUIRED TEXT/RESOURCE MATERIALS:

Ross, Stephen A., Westerfield, Randolph, Jordan, Bradford, Roberts, Gordon.
Fundamentals of Corporate Finance. 2010. 7th 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:

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:

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.

**** 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.**

GRADING CRITERIA:**Quizzes**

Four Quizzes – 15%

Assignments

Three Assignments - 15%

Exams

First Test 15%

Second Test 20%

Final Exam 35%

Final Exam takes place during the regular scheduled exam schedule April 18, 2013 – April 29, 2013

Assignment and Exam Policies:

Assignments will be handed in at the beginning of class on the due date. The penalty for late submission will be 5% per day. **Note:** You should think of each assignment as a professional presentation that you would prepare for a client or your immediate supervisor. The evaluation will take into consideration the overall neatness of your work, correct spelling and grammar and effective communication of the required information.

- Quizzes will be given throughout the term. 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 13, 2013 and March 20, 2013.
- Final examinations will be written in the gym and scheduled by the Registrar during the period April 18–April 29, 2013.

Grades will be assigned on the Letter Grading System.

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

EXAMINATIONS:

There are two tests and one Exam in this course.

The final exam is cumulative.

STUDENT RESPONSIBILITIES:

Each student is expected to come to class **on time**, having read the material and completed the assignments. 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:

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 2012/2013 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.

Please refer to the College calendar regarding plagiarism, cheating and the resultant penalties. These are serious issues and will be dealt with severely.

COURSE SCHEDULE/TENTATIVE TIMELINE:

Week 1 December 31 – Jan 4

- No classes

Week 2 Jan 7-11 (First Class is Jan. 9 – Wednesday)

- Introduction (Distribute course outline)

Week 3 Jan 14-18

Hand out Quiz ONE

- Financial Statements

Reference: Chapter 1, 2, 3, 5

- Time Value of Money

Reference: Chapter 5

Week 4 Jan 21-25

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 28-Feb 1

- Interest Rates and Bond Valuation

Reference: Chapter 7 and Appendix A

- Stock Valuation

Reference: Chapters 8

Week 6 Feb 4-8

Hand in Assignment ONE

Hand in Quiz TWO

- Net Present Value

Reference: Chapter 9

- Capital Budgeting

Reference: Chapter 10

Week 7 Feb 11-15

Test 1 (Weeks 1 through 5) (Wednesday)

Week 8 Feb 18-22

Reading week

Week 9 Feb 25-Mar 1

Hand out Quiz THREE

Hand out Assignment TWO

- Project Analysis and Evaluation

Reference: Chapter 11

- Capital Markets

Reference: Chapter 12

Week 10 Mar 4-8

- Return, Risk and the Security Market Line

Reference: Chapter 13

- Cost of Capital

Reference: Chapter 14

Hand in Assignment TWO

Week 11 Mar 11-15

Hand in Quiz THREE

- Cost of Capital

Reference: Chapter 14

Week 12 Mar 18-22

Test 2 (Weeks 6 through 10) (Wednesday)

Week 13 Mar 25 – 29

Hand out Quiz FOUR

Hand out Assignment THREE

- Raising Capital

Reference: Chapter 15

- Financial Leverage and Capital Structure Policy

Reference: Chapter 16

Week 14 April 1 –April 5

- Financial Leverage and Capital Structure Policy

Reference: Chapter 16

- Dividend Policy

Reference: Chapter 17

Week 15 Apr 8-12

Hand in Quiz FOUR

Hand in Assignment THREE

- Options

Reference: Chapter 25 & App. A

Week 16 April 15 – 16 (Tuesday)

- Review

- **The instructor reserves the right to change or cancel any of these dates and topics.**

April 18 to April 29 FINAL EXAM (DATE TBA)

COMPREHENSIVE

Final Exam will include all chapters covered.

Modified: January 3, 2013