



Grande Prairie Regional College

Department of Business

COURSE OUTLINE – Winter 2010

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	Monday and Wednesday 10-11:30am or by appointment		

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

Moodle:

Moodle is a Learning Management System used to help improve communications between the student and instructor. Important dates, announcements and grades will be posted on Moodle. The grades posted on Moodle 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 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 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 8, 2010 and March 31, 2010.
- Final examinations will be written in the gym and scheduled by the Registrar during the period April 17–April 29, 2010.

Participation:

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:

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.

Grading Criteria:

Participation	5%
Assignments	15%
Quizzes	20%
Term Test 1	15%
Term Test 2	15%
Final Examination	<u>30%</u>
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 3	Introduction	
January 10	Financial Statements Time Value of Money	Chapter 1, 2, 3 Chapter 5
January 17	Discounted Cash Flow Valuation Quiz #1 Interest Rates and Bond Valuation	Chapter 6 Chapter 7 & App. A
January 24	Interest Rates and Bond Valuation Stock Valuation Quiz #2	Chapter 7 Chapter 8

January 31	Net Present Value	Chapter 9
February 7	TERM TEST #1 Capital Budgeting	Chapters 1-3, 5-9 Chapter 10
February 14	Family Day (No Classes) Project Analysis and Evaluation	Chapter 11
February 21	Capital Markets Return, Risk and the Security Market Line	Chapter 12 Chapter 13
February 28	Return, Risk and the Security Market Line Quiz # 3	Chapter 13
March 7	Winter Break	
March 14	Cost of Capital	Chapter 14
March 21	Raising Capital Quiz #4	Chapter 15
March 28	Term Test #2	Chapters 10-15
April 4	Financial Leverage and Capital Structure Policy Dividend Policy	Chapter 16 Chapter 17
April 11	Options Review	Chapter 25 & App. A
April 17 to April 29	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.)