

REVISED SEPTEMBER '79

Sault College
of Applied Arts and Technology
sault ste. marie

Course Outline

FINANCE & INVESTMENTS I

BUS 202-4

revised September 1978

FINANCE & INVESTMENTS I

BUS 202-4

Texts: *Fundamentals of Financial Management
James C. Van Horne, Cecil R. Dipchand,
J. Robert Hanrahan
- Prentice-Hall

*Case Problems in Finance
J. K. Butters, William E. Fruhan Jr.
Thomas R. Piper
- Irwin Dorsey

Reference Material:

Financial Post
Globe & Mail "Report on Business"
Financial Newsletters.

* Students should purchase both texts, however, these same texts will also be used in the 4th semester for Finance & Investment II.

Objectives:

To provide the student with an introductory understanding of:

1. How to analyse a financial case history.
2. Financial decision making and its role in Financial Management.
3. Types of Business Organization and Taxes.
4. Basic financial Analysis and Accounting techniques.
5. Economic factors relating to Financial Management.
6. Mathematics of Finance.
7. Capital Budgeting and Valuation.
8. Principles of Asset Management including:
 - a) Working Capital Management.
 - b) Cash Management
 - c) Accounts Receivable Management.
 - d) Inventory Management.
9. Current events from a Financial Management standpoint.

Evaluation (Contd):

Re-writing of tests will be allowed in extenuating circumstances because of illness or legitimate absences.

It is the responsibility of the student to make arrangements with the Instructor on re-writes. Attendance at the make-up period is an earned opportunity based on improvement in attitude, attendance and effort.

FINANCE & INVESTMENTS I

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|-----|---|--|
| 1 | <u>Review - How to analyse a case</u> <ul style="list-style-type: none">- review of course content and discussion of outline- method of student evaluation and progress- integral relationship between F&I 1 and F&I 2 | Lecture - discussion
(slides 38-45 - Dynamics of Delegation carousel)

Case: See, Inc. (hand-out) |
| 2 | <u>The Role of Financial Management</u> <ul style="list-style-type: none">- function of the financial manager- the concept of risk- the goal of the firm | Lecture - Discussion
Read chapter 1
(Fundamentals of Financial Management).
Case: The Case of the Un-identified Industriels
pg. 3 (Case problems in Finance) |
| 3&4 | <u>Business Organizational Form</u> <ul style="list-style-type: none">- the sole proprietorship- the partnership- the corporation- administrative organization for financial decisions- valuation procedures
<u>Taxes</u> <ul style="list-style-type: none">- corporate income taxes- personal income taxes | Read chapter 2
Lecture - Discussion
Case: Alford & Wells
(hand-out)
Case: John Pieters
(hand-out)
Case: Harrington Corpn
pg 426 (Case problems)
Lecture - Discussion
Chapter 2 review
Selected problems
pg 26&27 (F.F.M.) |
| 5&6 | <u>Test # 1 (chapters 1 & 2)</u>

<u>Financial Analysis</u> <ul style="list-style-type: none">- a framework for analysis- liquidity ratios- debt ratios- profitability ratios- coverage ratios- funds statement- cash budgeting- forecasting | Lecture - Discussion
Read chapter 3 (F.F.M.)
Read chapters 3 & 4
Lecture - Discussion (income
Lecture - Discussion (assets
& liabilities)
Case: The Mintz Co. pg 6
Case: Welbilt Furniture pg 1
Case: The Cunningham Co. pg
Case Sunshine Toy pg 12 |
| 7&8 | <u>Economic Factors & Financial Management</u> <ul style="list-style-type: none">- the role of economic theory- application of economics to financial decisions- current economic conditions and business risk | Lecture - Discussion
Case: Crown Corporation
pg 132
Case: Cutrite Shear Inc.
pg 31
Case: Science Technology
pg 46
- Financial Post |

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Week	Subject	Material
15	<u>Cont'd/</u> <u>Inventory Management and Control</u> - introduction - inventory control - relation to financial management <u>Final Test</u>	Read chapter 8 (F.F.M.) Case: Review Sunshine Toy pg 12