

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY
SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: FINANCIAL MANAGEMENT

Code No.: ACC365

Program: ACCOUNTING

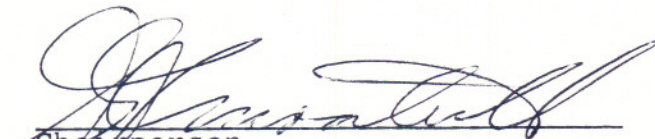
Semester: SIXTH

Date: JANUARY, 1988

Author: A. NANNE

New: X Revision: _____

APPROVED:


Chairperson

87-12-21
Date

FINANCIAL MANAGEMENT

ACC365

Course Name

Course Number

PHILOSOPHY/GOALS:

Financial Management is a survey course of the techniques and applications of the finance function of business. The emphasis of this course is application rather than theory. The Financial Management course deals with short and long term decision making with respect to the composition of the assets, the level of working capital, the capital structure and the distribution of profits of a firm. The decision making process is examined within the context of time and risk.

METHOD OF ASSESSMENT (GRADING METHOD):

Students will be evaluated on the following basis:

Three Tests	85%
Class Participation	15%
	<hr/>
	100%

TESTS:

The dates on which each test will be held will be announced approximately one week in advance. Each test will be of equal value.

If a student is not able to write a test because of illness or a legitimate emergency, that student must submit a medical certificate or contact the instructor prior to the holding of the test and provide an acceptable explanation for the absence. In all other cases, the student will receive a mark of zero for that test.

There will not be any rewrites of individual tests.

CLASS PARTICIPATION:

Class participation will include attendance and participation in classroom discussion on lecture material and topics of current interest as well as proper preparation of assignments.

FINAL GRADE:

A+	95-100%
A	85- 94%
B	70- 84%
C	55- 69%
R	54% or less

In order to successfully complete the course, a student must achieve an overall grade of 55%. For students who are not successful, there is provision for a supplemental test in certain limited circumstances. A student with a final grade of 40% to 55% may apply to the instructor for permission to write a supplemental test which will be based on work taken throughout the entire semester. Based on the attitude and participation of the student, the instructor may allow the student to write the supplemental test provided that each student has attempted all semester tests, and has given some indication of potential success on a supplemental test. It is the responsibility of any student in this category to apply for the supplemental test. A final grade of "C" will be assigned to any student who successfully completes the supplemental test.

In all other instances, students with a final grade of less than 55% will have to repeat the course.

TEXTBOOK:

"Managerial Finance in a Canadian Setting", 3rd edition,
Lusztig and Schwab

COURSE OBJECTIVES:

To provide the student with an introductory understanding of:

1. The role of the financial manager.
2. Time value of money.
3. Financial instruments, risk, intermediaries.
4. Understanding financial concepts.
5. Methods of financing; determination of cost of capital.
6. Bond evaluation.
7. Capital structure of a firm.
8. Operating and financial leverage.

STUDENT GOALS:

The student will be expected to acquire the following skills and knowledge:

1. Ability to communicate verbally and in writing, using correct financial terminology in classroom discussion of case histories and subject materials.
2. Understanding the framework in which the financial manager (and individual investors) operate in order to achieve goals.
3. Understanding the sources and types of financing including:
 - external financing (bonds and common stock)
 - short and intermediate financing
 - debt/equity ratio
4. Understanding of management working capital, that is, with current assets and current liabilities.
5. The investment process, the effect of decision making over the long term.
6. Interest in current financial events in today's business environment.

INSTRUCTIONAL METHOD:

Instruction will consist of lectures coupled with discussion sessions as well as assigned questions and cases. Students will be expected to complete assigned problems.

REFERENCE MATERIAL:

Financial Post
Globe and Mail - "Report on Business"
Financial Newsletters

WEEK	SUBJECT	SUGGESTED READING
1	Financial Management	Chapter 1 and 2
2	The Time Value of Money	" 4
3	Capital Budgeting	" 5
4	Capital Expenditure Decisions	" 6
5	Sources of Funds	" 7 and 8
6	Long Term Debt	" 9
7	Preferred and Common Shares	" 10, 11 & 12
8	Review	
9	Cost of Capital	" 13
10	Capital Structure	" 14
11	Short Term Source of Funds	" 15 and 16
12	Dividend Policy and The Valuation of Common Shares	" 19 and 20
13	Management of Cash & Marketable Securities	" 23
14	Management of Accounts Receivable and Inventory	" 24 and 25
15	Concepts of Working Capital Management	" 26
16	Review	

Note: Above Subject to change