

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: FINANCE & INVESTMENTS II

Code No.: BUS 206-4

Program: GENERAL BUSINESS/ADVERTISING MANAGEMENT

Semester: FOURTH

Date: JANUARY, 1992

Previous Outline Dated: JANUARY, 1991

Author: PENNY O'HARE

New: \_\_\_\_\_ Revision: X \_\_\_\_\_

APPROVED: \_\_\_\_\_ Date \_\_\_\_\_  
Dean, School of Business and  
Hospitality

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Course Name

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**PHILOSOPHY/GOALS**

Fundamentals of the financial function of business. The special emphasis of this 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.

**METHOD OF ASSESSMENT (GRADING METHOD):**

Students will be evaluated on the following basis:

Three Tests	75%
Class Participation	15%
Case	10%
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	100%

**TESTS:**

The date of each test 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.



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Course Number

**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.

\* The student is expected to keep proper notes and any necessary documents from each lecture so as to enable the student to review and prepare for examinations and tests at any designated date.

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Course Number

**COURSE OBJECTIVES:**

To provide the student with an introductory understanding of:

1. The role of finance.
2. Methods of financing.
3. Time value of money.
4. Financial instruments, risk, intermediaries.
5. Understanding financial concepts.
6. Capital structure of a firm.
7. Current Investments from a financial point of view.
8. Capital budgeting and valuation.

**STUDENT GOALS:**

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

1. Understanding the framework in which finance (and individual investors) operates in order to achieve goals.
2. Understanding the sources and types of financing including:
  - external financing (bonds and common stock)
  - short and intermediate financing
  - debt/equity ratio
3. Understanding of working capital, that is, current assets and current liabilities.
4. The effect of decision making over the long term.
5. Interest in current financial events in today's business environment.
6. Understanding the basics of business accounting systems.



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**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.

**TEXT:** "Financial Decision Making", by J. Hampton

**REFERENCE MATERIAL:**

Financial Times  
Financial Post  
Globe and Mail - "Report on Business"  
Time - "Business" section  
Financial Newsletters

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Course Name-----  
Course Number

WEEK	SUBJECT
1	Overview of Finance - areas of finance - areas of financial and management accounting
	Financial Statements
2-3	Analysis of Financial Statements - role of financial statements - ratios
4	Capital Structure - role of internal auditor - role of external auditor - corporate organization - securities
5	Working Capital
6	Time Value of Money
7	Budgeting in a Business Environment
8-9	Capital Expenditure Decisions
10	Review
11	Source of Funds
12	Long and Short Term Debts
13	Financial Markets - application - Current Terminologies
14	Financial Instruments - Preferred and common shares - Bonds etc.
15	Review
16	<b>FINAL EXAM</b>

**NOTE:** Above is subject to change.