

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

Course Outline: FINANCE & INVESTMENTS II

Code No.: BUS 206-4

Program: BUSINESS-GENERAL

Semester: FOURTH

Date: JANUARY, 1994

Previous Outline Dated: JANUARY, 1993

Author: PENNY O'HARE

New: _____ Revision: X _____

APPROVED: *Penny M. Curran*
Dean, School of Business and
Hospitality

93/12/22
Date

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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%
Assignment	15%
Quiz	10%

	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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FINAL GRADE:

A+	90-100%
A	80- 89%
B	70- 79%
C	60- 69%
R	Repeat - under 60%

In order to successfully complete the course, a student must achieve an overall grade of 60%. For students who are not successful, there is provision for a supplemental test in certain limited circumstances. A student with a final grade of 50% to 60% 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 60% 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.

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: "Principles of Financial Management", by Jog, Riding, Levy, and Sarnat
"Study Guide: Principles of Financial Management"

REFERENCE MATERIAL:

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