



COURSE OUTLINE

FINANCE 1

BUS260

**45 HOURS
3 CREDITS**

PREPARED BY: Gabor Gyorgy

September 1, 2016

APPROVED BY: Margaret Dumkee, Dean

September 1, 2016

APPROVED BY ACADEMIC COUNCIL



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Finance I

INSTRUCTOR: Gabor Gyorgy
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OFFICE HOURS: Monday to Thursday 10:30 - 12:00

COURSE OFFERING: Fall 2016
DAYS & TIMES: Tuesdays and Thursdays, 8:30 - 10:00am

COURSE DESCRIPTION

In BUS260 we begin to understand the science of money management in a corporate context. We begin to examine how firms value and assess risk, and make financial decisions across a variety of contexts, and time frames.

PREREQUISITES

ACCT101 + 102, or ACCT202.

RELATED COURSE REQUIREMENTS

None

EQUIVALENCY OR TRANSFERABILITY

This course is BCCAT transferable and approved by the CPA.

LEARNING OUTCOMES

Upon successful completion of the course, students will have demonstrated the ability

1. To understand and apply theories in corporate finance to real world examples
2. To develop an understanding of the basic principles of both long term and short term financial planning
3. To understand how financing and investment decisions interact to affect value.

COURSE FORMAT

Course content will be presented principally through lectures, and sample problems. I encourage all students to raise and answer questions and get actively involved in any class discussions that might arise.

If you require additional assistance, I am available to all students during my scheduled office hours. Students are encouraged to make an appointment during these times, as appointments will take precedence over 'drop-ins.' A short visit is often all it takes to clear up a problem area.

Given the volume of material that needs to be covered in this course, I have to conduct classes on the assumption that the assigned material has been read and studied. If you are doing the assigned readings and preparing with exercises before class, your class room experience should be energizing.

Homework

All required readings, and exercises are listed in the calendar below. Students are responsible for correcting their own work using the Solutions Manual for the text, which includes answers to the end-of-chapter questions and problems. The Solutions Manual is available on-line at our course website. Ensure that you understand the problems; this course is sequential with many of the lessons building on previous lessons.

Evaluations

There will be six tests, worth 5% each (30% total). The tests will be approximately 30

minutes long and will be written at the beginning of the class. Specific dates are noted on the syllabus. The purpose of these tests is to help you master the material on a chapter-by-chapter basis. Questions on the tests will be very similar to problems studied in class and/or the assigned self-study questions.

Business 260 has a midterm and a final examination, both of which must be completed within the scheduled class time.

If you must miss a test or exam, it is your responsibility to reschedule an alternative date *before* your planned absence.

Examples of acceptable (valid) reasons for missing a scheduled test or exam include personal illness (supported by a doctor's note) or absence required by your employer (supported by a letter from your employer). Only one such deferral is allowed per semester. If no valid reason is given, your mark on that test will be "0."

The 3-hour final exam is comprehensive however is weighted 70% to material covered after the midterm, and 30% to material beforehand.

The final grade for this course will be determined as follows:

Tests (6 @ 5% each)	30%
Midterm Exam	30%
Final Exam	<u>40%</u>
Total	<u>100%</u>

TEXT AND OTHER MATERIALS

- 1) Ross, Westerfield, Jordan and Roberts, *Fundamentals of Corporate Finance, Ninth Canadian Edition*, Irwin, Toronto, 2016.
- 2) Financial calculator—the one that will be used for instruction in class is *Sharp Business/Financial Calculator EL-738*, which is available in the bookstore.

ACADEMIC AND STUDENT CONDUCT

Information on academic standing and student rights and responsibilities can be found in the Academic Regulations:

https://www.yukoncollege.yk.ca/downloads/Yukon_College_Academic_Regulations_and_Procedures_-_August_2013_final_v1.pdf

Attendance

Regular student attendance and preparation are essential to enjoying this course. Learning finance concepts is no easy task. For the great majority of students, these concepts are far from intuitive, and mastering them requires hard work. This work will inevitably involve a lot of careful reading and repetition, and in class engagement.

Professional Conduct

Students are expected to behave in a respectful and courteous manner during class, as is required in any workplace. This includes turning off all personal communication devices.

Students who fail to demonstrate professionalism in the classroom and exhibit distracting/disrupting behaviours will be asked to leave.

Cheating

Cheating involves actual, intended, or attempted deception and/or dishonest action in relation to any academic work of Yukon College. The penalties for academic dishonesty are severe and are described in section 4.02 and 4.03 of Yukon College's Academic Regulations and Procedures.

Examples of cheating include the following:

Taking unauthorized material into an evaluation and/or talking or communicating with another student during an evaluation. Unauthorized material in an evaluation will be regarded as attempted deception. Unauthorized material includes any notes/documents on your person and non-permitted equipment/devices (e.g. a prohibited model of calculator or an iPhone). If after the evaluation has started it is discovered that you have unauthorized material in your possession, including any information written on a part of your body or on clothing, it will automatically be assumed that cheating has taken place. The consequence will be the award of a mark of zero for the evaluation affected. Talking or communicating with another student during an evaluation is also considered cheating. You are not allowed to talk or

communicate in any way with another student whilst you are writing the evaluation. Talking or communicating with another student during a test/exam may result in you receiving a mark of zero for that evaluation.

Plagiarism

Plagiarism is a serious academic offence. Plagiarism occurs when students present the words of someone else as their own. Plagiarism can be the deliberate use of a whole piece of another person's writing, but more frequently it occurs when students fail to acknowledge and document sources from which they have taken material. Whenever the words, research or ideas of others are directly quoted or paraphrased, they must be documented according to an accepted manuscript style (e.g., APA, CSE, MLA, etc.). Resubmitting a paper which has previously received credit is also considered plagiarism. Students who plagiarize material for assignments will receive a mark of zero (F) on the assignment and may fail the course. Plagiarism may also result in dismissal from a program of study or the College.

YUKON FIRST NATIONS CORE COMPETENCY

Yukon College recognizes that a greater understanding and awareness of Yukon First Nations history, culture and journey towards self-determination will help to build positive relationships among all Yukon citizens. As a result, to graduate from ANY Yukon College program, you will be required to achieve core competency in knowledge of Yukon First Nations. For details, please see www.yukoncollege.yk.ca/yfnccr.

ACADEMIC ACCOMMODATION

Reasonable accommodations are available for students requiring an academic accommodation to fully participate in this class. These accommodations are available for students with a documented disability, chronic condition or any other grounds specified in section 8.0 of the Yukon College Academic Regulations (available on the Yukon College website). It is the student's responsibility to seek these accommodations. If a student requires an academic accommodation, he/she should contact the Learning Assistance Centre (LAC) at (867) 668-8785 or lassist@yukoncollege.yk.ca.

COURSE CALENDAR

Day	Ch.	Topic	Readings		Study Questions
Sept. 8	1	Introduction To Corporate Finance		All of Chapter 1	
Sept. 13	2	Financial Statements, Cash Flow and Taxes	2.1 2.2 2.3	Statement of Financial Position Statement of Comprehensive Income Cash Flow	1-5, 8-16
Sept. 15	2	Financial Statements Cash Flow and Taxes	2.3	Cash Flow	19, 21, 22, 24, 25
	3	Working With Financial Statements	3.1 3.3	Cash Flow and Financial Statements Ratio Analysis	1-4
Sept. 20	3	Working With Financial Statements	3.3	Ratio Analysis	17,19, 23,24,26
Sept. 22	MT1	Ch. 1, 2,3			
Sept. 27	4	Long Term Financial Planning and Growth	4.2 4.3 4.4	Financial Planning Models Percentage of Sales Approach External Financing and Growth	1-9,12,13,24
	4	Long Term Financial Planning and Growth			
Sept. 29	5	Time Value of Money		All	All
Oct. 4	MT2	Ch. 4 & 5			
	6	Discounted Cash Flow Valuation		All	1-9, 25, 45
Oct. 6	6	Discounted Cash Flow Valuation		All	11, 13 &14 (omit d),15, 20, 23, 33, 37
Oct. 11	7	Interest Rates and Bond Valuation	7.1	Bonds and Bond Valuation	1-8, 13, 24
Oct. 13	7		7.3 7.5	Bond Ratings Bond Markets	14
Oct. 18	MT3		Ch. 6 & 7		

		Review		Chapters 1 - 7 for Mid Term	
Oct. 20	Mid Term Exam				
Oct. 25	8	Stock Valuation	8.1 8.2 8.3	Common Stock Valuation Common Stock Features Preferred Stock Features	1-9,13, 16, 17, 19, 20
Oct. 27	9	Net Present Value and Other Investment Criteria	9.1	Net Present Value	1-10
Nov. 1			9.2 9.4 9.5 9.6	The Payback Rule The Internal Rate of Return The Profitability Index The Practice of Capital Budgeting	11, 12a+b, 15-17, 23
Nov. 3	MT4	Ch. 8 & 9			
	10	Making Capital Investment Decisions	10.1	Project Cash Flows: A First Look	1-9, 11, 13-15, 21, 25(omit b), 26
Nov. 8	10		10.2 10.3 10.4 10.5	Incremental Cash Flows Pro Forma Financial Statements And Project Cash Flows More on Project Cash Flow Alternative Definitions of Operating Cash Flow	
Nov. 10	11	Project Analysis and Evaluation	11.1	Evaluating NPV Estimates	1-10, 17, 19
Nov. 15			11.2 11.3 11.4	Scenario and Other What If Analyses Break Even Analyses Operating Cash Flow, Sales Volume, and Break Even	
Nov. 17	MT5	Ch. 10 & 11			
Nov. 22	18	Short Term Finance and Planning	18.1 18.2 18.4 18.6	Tracing Cash and NWC Operating Cycle and Cash Cycle Cash Budget Short Term Borrowing (<i>Trade Credit Only</i>)	1-12
Nov. 24	19	Cash And Liquidity Management	19.1	Reasons for Holding Cash	1,3,5-7,11,12
Nov. 29			19.2 19.3	Determining the Target Cash Balance Understanding Float	

Dec. 1	20	Credit and Inventory Management	20.1 20.2 20.6	Credit and Receivables Terms of the Sale Collection Policy	1-8
Dec. 6	MT6	Ch. 18, 19 & 20 & Review			
Dec. 8		Review		Chapters 1 - 11 & 18 - 20	
Dec. 12 to 16th	Final Exam				