

**BA440**  
**Financial Management I**

**3 Credits**

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## BA440 Version: 25



# Financial Management I

## Calendar Description

The objective of financial management is to provide the student with a basic understanding of the process of raising funds and their most profitable allocation within a business enterprise. Topics include financial markets, taxation, financial statement analysis, sources and valuation of debt and equity, fundamental capital budgeting, leverage and risk management.

## Rationale

Financial Management I is a required course for students enrolled in the Accounting Major of the Business Administration Diploma program.

## Prerequisites

AC130 and MA101

## Co-Requisites

None

## Course Learning Outcomes

Upon successful completion of this course, the student will be able to

1. explain the function of the financial manager.
2. outline the role of the Canadian financial markets.
3. contrast the different business forms as to their organization and taxation.
4. do fundamental financial statement analysis.
5. prepare a cash budget based on current plans and forecasts.
6. perform multiple breakeven analysis.
7. calculate and discuss the different types of leverage.
8. discuss how funds are raised in the financial markets.
9. assess the impact of risk on investment alternatives.
10. determine the cost of capital of a firm.
11. perform basic capital budgeting using non-discounted and discounted cash flow techniques.

12. discuss the features of and calculate the cost of different types of long-term financing including stocks and bonds.

## Resource Materials

### **Required Text:**

Ross, S. A., Westerfield, R. W., Jordan, B. D., & Roberts, G. S. (2016). *Fundamentals of Corporate Finance* (9th Canadian ed.). Toronto, ON: McGraw-Hill Ryerson.

Good Financial Calculator (i.e. Sharp EL-733 or Hewlett Packard 10-B).

## Conduct of Course

Class time is comprised of a combination of lectures and problem solving sessions. The lecture focuses on topics that are shared across all disciplines with problem-solving sessions geared to dealing with issues on a more individualized basis.

The student should come to class having adequately prepared for topics to be dealt with that day. The instructor provides specific readings; otherwise, the readings provided in the course calendar act as a guide to what is covered. Lectures are supplemented with hand out materials and visual media as needed. Students are encouraged to participate in class discussion and in clarifying topical material.

## Evaluation Procedures

Students are tested on material from chapter readings assigned and discussed in class. A final grade is determined in the following manner:

Assignments	15%
Midterm Exams (2)	55%
Final Exam	30%
Total	100%

All marks are recorded as percentages and then converted to a final letter grade according to the following criteria:

## Grade Equivalents and Course Pass Requirements

***A minimum grade of D (50%) (1.00) is required to pass this course.***

Letter	F	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
Percent Range	0-49	50-52	53-56	57-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-100
Points	0.00	1.00	1.30	1.70	2.00	2.30	2.70	3.00	3.30	3.70	4.00	4.00

**Students must maintain a cumulative grade of C (GPA - Grade Point Average of 2.00) in order to qualify to graduate.**

## **Attendance**

Regular attendance is essential for success in any course. Absence for any reason does not relieve a student of the responsibility of completing course work and assignments to the satisfaction of the instructor. Poor attendance may result in the termination of a student from a course(s).

The instructor will recommend that the Registrar withdraw any student who does not meet the established attendance requirements. A failing grade of RW (Required to Withdraw) will appear on the student's transcript.

In cases of repeated absences due to illness, the student may be requested to submit a medical certificate.

*Instructors have the authority to require attendance at classes.*

## **Course Units/Topics**

1. Introduction to Corporate Finance
2. Financial Statements, Cash Flow, and Taxes
3. Working with Financial Statements
4. Long-Term Financial Planning and Corporate Growth
5. Introduction to Valuation: The Time Value of Money
6. Discounted Cash Flow Valuation
7. Interest Rates and Bond Valuation
8. Stock Valuation
9. Net Present Value and Other Investment Criteria
10. Making Capital Investment Decisions
11. Project Analysis and Evaluation
12. Lessons from Capital Market History



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