

BES340-3
Capital Budgeting

2 Credits

Instructor: TBA

Phone:

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BES340-3 Version: 8



Capital Budgeting

Calendar Description

This module introduces learners to basic concepts and methods related to the format and calculation of cash flow statements. Topics covered include: expenditure allocation, authorization, and monitoring process. Learners discuss capital budgeting, particularly methods of analyzing alternative long-term investments and solving capital budgeting problems by applying relevant methods and techniques.

Rationale

This is a required module for the Bachelor of Applied Business: Emergency Services program. Planning short and long-term financing is based primarily on cash flow. Net cash flow is the difference between the inflows and outflows within a given period.

Cash flow planning entails forecasting and tabulating all significant cash inflows such as grants, sales, new loans, interest received, and then analyzing in detail the timing of cash outflows for expected payments including suppliers, wages, other expenses, capital expenditure, loan repayments, dividends, tax, interest payments, etc.

Capital budgeting is the process of analyzing alternative long-term investments and selecting projects that produce the maximum output or cost reduction for a given amount of resources invested in the project.

Prerequisites

BES340-1 and BES340-2

Co-Requisites

None

Module Learning Outcomes

Upon successful completion of this course, students will be able to

1. allocate, authorize, and monitor expenditures.
2. prepare a cash flow statement.
3. discuss the features of capital and different types of long-term financing.

Resource Materials

Required e-texts:

Horngrén, C. T. et al. (2017). *Accounting*, Vol II. (10th Cdn ed.). Toronto:

Pearson-Prentice Hall.

Braun, K. W. et al. (2018). *Managerial Accounting* (3rd Cdn ed.). Toronto: Pearson.

Conduct of Module

This module is approximately 15 hours in length. It is delivered on-line and may involve individual, pair, and group work. Students are required to submit assignments, take part in asynchronous discussions, and undertake exercises in the workplace that call for reflective thinking. Participation in this module is paced and mandatory, and students are expected to practice time management skills accordingly. It is critical that each student read the assigned material and keep up to date with all objective tasks, PowerPoint slides, and assigned problems.

Student counseling: Students who are experiencing difficulty with the module should immediately consult the instructor by email.

Module withdrawal: Students should familiarize themselves with the school's module withdrawal policy and procedures, which are explained in the student handbook/calendar.

Students should budget approximately one to two hours of time in preparation for each hour of the estimated 15 hours of class time.

Evaluation Procedures

The final grade is an aggregate of the following components:

Objective 1	40%
Objective 2	35%
Objective 3	<u>25%</u>
Total	100%

All marks are recorded as percentages and then converted to a final letter grade according to the criteria shown below.

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.

Participation

Regular participation in threaded discussions is essential for success in the program. 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 participation may result in the termination of a student from a course(s).

If you do not meet the established participation requirements, your instructor will recommend that the Registrar withdraw you from the course. A failing grade of RW (Required to Withdraw) will appear on your transcript. No credit is earned. Calculated as a failing grade in GPA.

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

Module Units/Topics

This module consists of three units:

1. Allocate, authorize, and monitor expenditures.
An introduction to the classification of costs, how departments accumulate costs, and how they are incorporated into the budgeting process.
2. Prepare Cash Flow Statements
A study of the basic concepts and skills required to prepare a cash flow statement.
3. Discuss the features of capital and different types of long-term financing.
An exploration of methods and techniques of capital budgeting.



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