

BA540
Financial Management II
3 Credits

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BA540 Version: 24



Financial Management II

Calendar Description

The objective of this second course in financial management is a continued emphasis of prerequisite concepts with further study in the areas of advanced capital budgeting, financing mix, dividend policy, working capital management, mergers, and international financial management.

Rationale

This is a required course for the Business Administration Accounting major students. This course rounds out the study of financial management by completing the study of balance sheet financing with added topics including the creation of new businesses, international finance, and small and mid-sized business financing perspectives.

Credit transferability has been negotiated with the Society of Management Accountants (CMA) and the Certified General Accountants Association (CGA) for those students who complete both BA440 and BA540.

Prerequisites

BA440

Co-Requisites

None

Course Learning Outcomes

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

1. determine the appropriateness of an organization's current financing mix.
2. determine the effect of employing different dividend policies.
3. perform advanced capital budgeting involving discounted cash flow methods, risk, and inflation.
4. use tools and techniques to better manage working capital.
5. contrast the options open to firms that are restructuring.

6. determine the effect exchange rates and international interest rates have on the cost of operating in foreign countries.
7. discuss issues of financial management as they relate to small and mid-sized businesses.

Resource Materials

Required Texts:

Ross, S. A., Westerfield, R. W., Jordan, B. D., Roberts, G. S. (2016). *Fundamentals of Corporate Finance* (9th Canadian ed.)

Required Materials:

Good Financial Calculator (i.e. Sharp EL-733)

Reference Texts:

Ross, S. A, R. W. Westerfield, B. D. Jordan & G. S. Roberts. (2005). *Fundamentals of Corporate Management, Self-Study CD-ROM* (5th Canadian Ed.). Toronto, ON:
McGraw-Hill Ryerson.

On Line Learning Centre, www.mcgrawhill.ca/college/ross for online quizzes, Video clips, application questions, chapter highlights, glossary and key terms, chapter summaries and Formula sheet.

Conduct of Course

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 may be supplemented with handout materials, use of whiteboard 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 or discussed in class. A final grade is determined in the following manner:

| | |
|----------------|------|
| Midterm Exam 1 | 25% |
| Midterm Exam 2 | 25% |
| Assignments | 25% |
| Final Exam | 25% |
| Total: | 100% |

No retests are offered.

All marks are recorded as percentages and then converted to a final letter grade.

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

- Return, Risk, and the Security Market Line
- Cost of Capital
- Raising Capital

- Financial Leverage and Capital Structure Policy
- Dividends and Dividend Policy
- Short-Term Finance and Planning
- Cash and Liquidity Management
- Credit and Inventory Management
- International Corporate Finance
- Leasing
- Mergers and Acquisitions



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