BUSINESS FINANCE
BSMG6208

Course Outline (Online)

Description: Learn how to develop key financial strategies in order to build a solid financial plan with a clear understanding of your tax and legal responsibilities. This course expands on the fundamentals and objectives of corporate finance and their relationship to business strategies. Particular attention is given to cash flow, budgeting, profit planning, capital and risk.

Recommended Prerequisite: Fundamentals of Accounting

Course Goals: The goal of the business finance course is to enable students to interpret financial reports, use acceptable financial tools and methodologies to make better business decisions, and understand the true financial impact of those decisions to improve budget management, increase potential profits and assess financial viability of projects as well as to engage in productive communication with financial managers and upper management.

Course Objectives: At the completion of this course, the student will be able to:
1. Define the meaning of financial management and explain the four financial objectives of an organization as well as discuss issues related to corporate transparency and accountability
2. Explain, examine and produce the contents and the structure of the four financial statements and discuss the importance of decision-making in financial management
3. Explain the importance of managing cash flows and be able to analyze cash flows by comparing two consecutive statements of financial position
4. Explain why financial statements need to be analyzed and evaluate a company's statements using various techniques and comment on the limitations of financial ratios
5. Explain and calculate the break-even point, the cash break-even point, and the profit break-even point and how they can be applied in different organizations as well as to be able to differentiate between different types of cost concepts
6. Define the meaning and importance of the cash conversion cycle and discuss various techniques related to trade receivables and inventory management to improve the cash flow cycle
7. Explain different types of risk-related financing options and calculate and discuss the sources and forms of debt financing as well as identify the factors that can influence the choice between buying or leasing as asset
8. Explain and calculate cost of financing, economic value added, and leverage analysis as it relates to managerial performance and shareholder wealth maximization
9. Explain and solve capital investment decisions using time-value-of-money decision-making tools
10. Explain the capital budgeting process as well as be able to evaluate and assess capital investments using decision-making concepts and techniques and discuss reasons that can prevent a capital project from being approved

Evaluation:
Weightings of the various segments of the course (Evaluation) as are follows:
- Assignments (2) 25%
- Participation 15%
- Mid Term Exam 25%
- Final Exam 35%
- Total 100%

This course outline is a sample only and is subject to change.
Notes on assignments (papers and reports):

• Must be academic in style and content
• Must have a clear focus
• Must present ideas in a logical and well thought-out flow
• Arguments, analysis and conclusions must be based on clearly identified research and sources
• Must cite all references from other sources
• Must be in paragraph format
• Must be double-spaced, and typewritten
• Must follow APA style

Grading:
A+ 90-100 One could scarcely expect better from a student at this level
A 80-89 Superior work which is clearly above average
B 70-79 Good work, meeting all requirements, and eminently satisfactory
C 60-69 Competent work, meeting requirements
D 50-59 Fair work, minimally acceptable
F below 50 Fail

Participation Grading Chart:

The following chart will act as a guide for assessing student participation in the course.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-10</td>
<td>The student participates frequently, providing relevant responses more than 25 times spread evenly over the length of the course. Replies to discussion questions, instructor comments as well as the responses of other students in a positive and critical manner. The student responds in a timely manner (allowing enough time for fellow students to respond, and not posting on the last day of the unit). Responses are of a high quality, an obvious effort has been made to research the answer. Responses offer new perspectives on course material and spark discussion amongst the class.</td>
</tr>
<tr>
<td>7-8</td>
<td>The student participates consistently, providing relevant responses 20-25 times over the length of the course. The student responds in a timely manner (allowing enough time for fellow students to respond, and not posting on the last day of the unit). The student offers new ideas and responds to the contributions of others.</td>
</tr>
<tr>
<td>6</td>
<td>The student provides some relevant contributions, 15-20 times over the length of the course. The student responds before the end of the unit. The student occasionally offers new ideas and responds to others.</td>
</tr>
</tbody>
</table>

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The student's contributions are inconsistent in both quality and timing, 10-15 times over the length of the course.

The student's responses are not always on time.

The student does not offer any new ideas, and responses to fellow students are few.

The student rarely provides contributions to the course, 5-10 times.

The student does not always respond on time.

The student has difficulty understanding the course content, and does not respond to the contributions of the other students.

The student provides little or no discussion, less than 5 times.

Information is contributed only when asked to by the instructor, and responses are negative or disagreeable to the instructor/fellow students.

Responses show little in the way of comprehension of course material. The responses are usually limited to “I agree”, “Me too” or the like.

Policy on Cheating and Academic Misconduct:

Academic honesty is a cornerstone of conduct at Western University. We cannot have freedom of expression without integrity. Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offences; please refer to the section on “Scholastic Offences” in the current University Academic Calendar, or on the web at http://www.westerncalendar.uwo.ca. Such offences include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course any academic work for which credit has previously been obtained or is being sought in another course in this University or elsewhere (without the knowledge and approval of the instructor to whom the work is submitted). Students enrolled in non-degree courses are expected to abide by the University’s code of conduct.

Code of Student Conduct:

The purpose of the Code of Student Conduct is to define the general standard of conduct expected of students registered at Western University, provide examples of behaviour that constitutes a breach of this standard of conduct, provide examples of sanctions that may be imposed, and set out the disciplinary procedures that the University will follow. For the complete Code of Student Conduct: http://www.uwo.ca/univsec/pdf/board/code.pdf.

Plagiarism:

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between Western University and Turnitin.com (http://www.turnitin.com).

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How often will the instructor communicate with me?

The instructor will respond to questions within 48 hours. If your question is of a personal matter, please email abasahi@uwo.ca otherwise, please use the OWL system for your questions.

Policy on Late Assignments:

No late assignments will be accepted. Extensions will be considered if the professor is approached at least two days prior to the due date. Moreover, only extenuating circumstances will be considered.

Any assignment handed in late that has been approved will be subject to a penalty of two percent (2%) per day including weekends, up to a maximum of 7 days, after which assignments will not be accepted and a grade of zero will be assigned unless documentation for accommodation has been provided in advance. The reason for this seemingly harsh system is:

a) it ensures that people who hand their assignments in on time are not penalized, and b) it makes it far more likely that you will submit your assignments on time.

When will I receive my grades?

Final grades will be available 2 weeks after the last scheduled day of the course. A grade report can be printed from myWCS.

How do I hand in assignments?

Each assignment has format specifications, defined in words and/or pages, defined due dates as well as submission requirements. Assignments could be submitted electronically either through using the assignment drop box in the course area and/or the publisher’s web site. Refer to each assignment overview for details. Failure to meet deadlines without the instructor’s written permission will be subject to the late assignment policy. It is the student’s responsibility to ensure that all assignments forwarded to the instructor arrive before the due date. If you experience difficulty in submitting assignments, you are responsible for contacting the instructor, seeking permission, and arranging an alternate method of delivery (e.g., e-mail attachment) for the assignment if approved.

Course Schedule:

Week
1  Read: Chapter 1 Overview of Financial
    Chapter 2 Accounting Statements and Financial Statements
    Weekly Exercise: Chapter 2: Exercise 2,5 and 6
2  Read: Chapter 3 Statement of Cash Flows
    Weekly Exercise: Chapter 3: Exercise 1, 2, 3 and 4
    Case Exercise: Austin Industries Inc
3  Read: Chapter 4 Financial Statement Analysis
    Weekly Exercise: Chapter 4: Exercise 1, 2, and 3
    Case Exercise: Pickwick Restaurants
4  Read: Chapter 5 Profit Planning, Decision-Making

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Weekly Exercise: Chapter 5: Exercise 1, 2, 3, and 4
Case Exercise: V&A Carpet Cleaning Services

ASSIGNMENT #1: Imperial Electronics Ltd (p. 171) due MAY 19th

5 Review Chapters 1-5

6 Midterm Exam (Chapters 1-5)

7 Read: Chapter 6 Working Capital Management
Weekly Exercise: Chapter 6: Exercise 1, 2, 3, 4, 5, 6, and 9

8 Read: Chapter 8 Sources and Forms of Financing
Weekly Exercise: Chapter 8: Exercise 1, 2, 3, 4, 5, 7, and 10

9 Read: Chapter 9 Cost of Capital, Capital Structure...
Weekly Exercise: Chapter 9: Exercise 1, 2, 3, and 4

10 Read: Chapter 10 Time-Value-of-Money Concept
Weekly Exercise: Chapter 10: Exercise 1, 2, 4, 5, 6, 7, and 8
Case Exercise: The Farm Purchase

ASSIGNMENT #2: Baldwin Equipment Inc (p. 370) due JUNE 30th

11 Read: Chapter 11 Capital Budgeting
Weekly Exercise: Chapter 11: Exercise 1, 2, 3, 4, 5, and 6

12 Review

13 Final Exam

*subject to change

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