Business Administration

Course Number:	**BUAD 195**
Course Title:	**FINANCIAL MANAGEMENT**
Credits:	3
Calendar Description:	The fundamentals of financial management - using financial information to make sound business decisions. Topics include interpretation and analysis of financial statements, budgeting and cash flow forecasting, financial and operating leverage, and the management of cash, receivables and inventory. *(also offered by Distance Education)*
Semester and Year:	**WINTER 2019**
Prerequisite(s):	BUAD 111 or BUAD 131
Corequisite(s):	No
Prerequisite to:	BUAD 272, 293, 298, 330, 340, 360, 390
Final Exam:	Yes
Hours per week:	3
Graduation Requirement:	BBA & Diploma - Required
Substitutable Courses:	No
Transfer Credit:	CPA (credit with BUAD 296), PMAC
Special Notes:	
Originally Developed:	1993
EDCO Approval:	May 2017
Chair's Approval:	

Professors

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Learning Outcomes

Upon completion of this course students will be able to

- describe a set of financial statements and the information they contain.
- compute and evaluate financial ratios using financial statements.
- prepare a cash budget and a set of pro-forma financial statements.
- calculate a business's EBT and EPS for alternative capital structures.
- prepare a break-even analysis, compare the impact on CM, EBIT, EBT and EAT with changes in operating and financial leverage.
- explain the principles of working capital management in relation to matching of maturities, liquidity and business expansion.
- evaluate proposals for changes in working capital policy.
- evaluate alternative sources of short-term financing.

Course Objectives

This course will cover the following content:

- The relationship between accounting and economics
- Studying various methods of maximizing shareholder wealth
- Prepare and analyze the basic financial statements – balance sheet, income statement, statement of retained earnings and cash flow statement
- Calculate several financial ratios and compare to industry or competitor ratios
- Financial forecasting using two methods
- Calculate break even
- Define, calculate and analyze operating and financial leverage
- Examine working capital management – current assets, current liabilities, short term borrowing
- Assess the use of short term and long term borrowing as appropriate financing options

Evaluation Procedure

Term Performance	25%
Mid-term Exam	30%
Final Exam	45%
Total	100%

Notes

The final exam covers the entire course.

All students are expected to write the final exam at the scheduled time and date.

Required Texts/Resources

Foundations of Financial Management, 11th Canadian Edition, Block, Hirt, & Short, McGraw-Hill Ryerson 2015. It is requested that students not use the 9th edition for this class.

Course Schedule

Date		Topic	Textbook
2019 Week of:		Monday, January 7 - Classes Start Monday, February 18 – Family Day (no classes) Tuesday, February 19 - Friday, February 22 – Reading Week (no classes) Tuesday, April 12 – Last Day of Regular Classes Friday, April 19 – Monday, April 22 – Easter (no classes)	
Jan	7-11	Introduction to Financial Management Financial Statements, Cash Flow, Taxes	Ch 1 Ch 2
	14 - 18	Financial Statement Analysis	Ch 3
	21 - 25	Financial Statement Analysis	Ch 3
Jan - Feb	28 – 1	Financial Statement Analysis	Ch 3
	4 - 8	Operating and Financial Leverage	Ch 5
	11 - 15	Review and **Mid-term Exam (date to be confirmed)**	Ch 1, 2, 3, 5
	18 - 22	Mid-semester break	
Feb - March	25 - 1	Financial Forecasting	Ch 4A
	4 - 8	Financial Forecasting	Ch 4A
	11 - 15	Financial Forecasting	Ch 4A
	18 - 22	Percentage of Sales Method Working Capital Management	Ch 4B Ch 6
	25 - 29	Current Asset Management Short-term Financing	Ch 7 Ch 8
April	1 - 5	Review	Ch 1 – 8
	8 - 12	Review	Ch 1 – 8
	15 - 29	**Final Exam (date to be confirmed)**	Ch 1 - 8

SKILLS ACROSS THE BUSINESS CURRICULUM

The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

STUDENT CONDUCT AND ACADEMIC HONESTY

What is the Disruption of Instructional Activities?

At Okanagan College (OC), disruption of instructional activities includes student "conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC", as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

What is Cheating?

"Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination."

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

What is Plagiarism?

Plagiarism is defined as "the presentation of another person's work or ideas without proper or complete acknowledgement." It is the serious academic offence of reproducing someone else's work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

"Intentional plagiarism is the deliberate presentation of another's work or ideas as one's own." Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

"Unintentional plagiarism is the inadvertent presentation of another's work or ideas without proper acknowledgement because of poor or inadequate practices. Unintentional plagiarism is a failure of scholarship; intentional plagiarism is an act of deceit."

What are the Students' Responsibilities to Avoid Plagiarism?

Students have a responsibility to read the OC Plagiarism Policy and Procedures outlined in the OC calendar, which is available in online format www.okanagan.bc.ca. Students must acknowledge the sources of information used on all their assignments. This usually involves putting the authors' name and the year of publication in parentheses after the sentence in which you used the material, then at the end of your paper, writing out the complete references in a Reference section.

"Students are responsible for learning and applying the proper scholarly practices for acknowledging the work and ideas of others. Students who are unsure of what constitutes plagiarism should refer to the UBC publication "*Plagiarism Avoided; Taking Responsibility for your Work".* This guide is available in OC bookstores and libraries.

Students are expected to understand research and writing techniques and documentation styles. The Okanagan School of Business requires the use of the APA or MLA style, but suggests that students cite references using the APA guidelines (see Publication Manual of the American Psychological Association, 6th edition (2009). A copy of the APA manual is available in the reference section and also available for circulation from OC libraries. The library website has access to these two major citing styles.

What are the Penalties for Plagiarism and Cheating?

The Okanagan School of Business does not tolerate plagiarism or cheating. All professors actively check for plagiarism and cheating and the Okanagan School of Business subscribes to an electronic plagiarism detection service. All incidents of plagiarism or cheating are reported and result in a formal letter of reprimand outlining the nature of the infraction, the evidence and the penalty. The Dean of the Okanagan School of Business and the Registrar record and monitor all instances of plagiarism and cheating. Penalties for plagiarism and cheating reflect the seriousness and circumstances of the offence and the range of penalties includes suspension from OC.