

## Course Outline

### Course Code, Number, and Title:

**FMGT 2371: Financial Management I**

### Course Format:

Lecture 3 h + Seminar 1 h + Lab 0 h

**Credits: 3**

**Transfer Credit:** For information, visit [bctransferguide.ca](http://bctransferguide.ca)

### Course Description, Prerequisites, and Corequisites:

Financial Management 2371 develops three learning streams: 1. Valuation and investment measurement techniques for investors; 2. Working capital management approaches for corporations; and 3. Long-term planning and performance analysis of firms. This course lays the groundwork for mathematical and strategic analysis of investment decisions for the modern corporation and investor. The introductory material is concluded in FMGT 2474. These two courses together provide transfer credit to professional accounting programs.

Prerequisite(s) One of FMGT 1116, 1215, 2293 and one of MATH 1118, 1119, 1210, 1253, 1171, 1174.

### Learning Outcomes:

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

- Explain what is involved in the study of finance
- Define/describe primary markets and secondary markets and explain the differences between the two.
- Define/describe stock options and how they are used to compensate managers.
- Define/describe call options and put options and explain the differences between the two.
- Conduct financial statement analysis by describing, calculating and evaluating key ratios.
- Prepare pro forma financial statements.
- Apply time value of money concepts.
- Calculate the price of any investment (bonds or shares).
- Calculate the yield/discount rate given the price of an investment (bonds or shares).
- List and describe the factors that affect the yield demanded by investors for a company's bonds.
- Apply interest-rate-parity concepts in the context of FX
- Calculate the holding-period return and annual return earned on an investment.
- Calculate the risk and return of an investment or a portfolio of two investments
- Explain the CAPM model and use it to calculate the required return on individual securities and portfolios
- Use the CAPM model and/or the dividend discount model to identify mispriced securities.
- Calculate the cost of missing a discount and whether it is worth it to borrow money to take the discount
- Prepare a cash budget
- Calculate the costs and benefits of providing credit terms/cash discounts to a company's customers.

**Instructor(s): TBA**

**Office: TBA**

**Phone: TBA**

**Email: TBA**

**Office Hours: TBA**

**Textbook and Course Materials:**

[Textbook selection may vary by instructor. An example of texts and course materials for this course might be:]

For textbook information, visit [https://mycampusstore.langara.bc.ca/buy\\_courselisting.asp?selTerm=3|8](https://mycampusstore.langara.bc.ca/buy_courselisting.asp?selTerm=3|8)

*Note: This course may use an electronic (online) instructional resource that is located outside of Canada for mandatory graded class work. You may be required to enter personal information, such as your name and email address, to log in to this resource. This means that your personal information could be stored on servers located outside of Canada and may be accessed by U.S. authorities, subject to federal laws. Where possible, you may log in with an email pseudonym as long as you provide the pseudonym to me so I can identify you when reviewing your class work.*

**Assessments and Weighting:**

Final Exam %

Other Assessments %

(An example of other assessments might be:) %

Information currently unavailable, please consult Department for details.

**Grading:**

Specific grading schemes will be detailed in each course section outline.

Information currently unavailable, please consult Department for details.

**Detailed Course Schedule:**

Information currently unavailable, please consult Department for details

As a student at Langara, you are responsible for familiarizing yourself and complying with the following policies:

**College Policies:**

[E1003 - Student Code of Conduct](#)

[F1004 - Code of Academic Conduct](#)

[E2008 - Academic Standing - Academic Probation and Academic Suspension](#)

[E2006 - Appeal of Final Grade](#)

[F1002 - Concerns about Instruction](#)

[E2011 - Withdrawal from Courses](#)

**Departmental/Course Policies:**