

Description: This course will provide a framework to analyze the major types of investment and financial decisions made by corporations. Lectures and readings will provide an introduction to present value techniques, capital budgeting principles and problems, asset valuation, the operations and efficiency of financial markets, and the financial decisions of firms along with discussions of the international context in which these decisions are made.

Objectives: The course is intended to give each student: i) An understanding of the theory of finance so the student may evaluate the investment, financing, and dividend decisions of the firm; ii) Knowledge of the analytical techniques relevant to financial management as well as skill in applying them; iii) Knowledge of the relevant Canadian institutional material concerning the environment in which financial decisions must be made.

Prerequisites: ECO100Y; ECO220Y/227Y/STA (250H, 255H/257H)

Method: Formal lectures on the assigned chapters. Students are expected to read the material before attending class. The professor expects class participation when required.

Required Text: E. F. Brigham, A. L. Kahl, W. F. Rentz, and L. C. Gapenski, Canadian Financial Management, Fourth Edition, (Toronto: Dryden, 1994, ISBN 0-03-922948-3).

Optional Text: Alfred L. Kahl and William Rentz, Student Resource Manual for Canadian Financial Management, (Toronto: Dryden, 1994, ISBN 0-03-922949-1).

Calculator: While not required, students may find calculators very useful (suggested models: Hewlett Packard 10B \$50 and Sharp EL-733A \$40).

Evaluation:	Problem set #1	(5%)	Chapters 1 to 7	Due by November 14, 1996
	Mid-term Examination #1	(25%)	Chapters 1 to 7	November 21, 1996
	Problem set #2	(5%)	Chapters 8 to 12, 20, 21	Due by February 13, 1997
	Mid-term Examination #2	(25%)	Chapters 8 to 12, 20, 21	February 27, 1997
	Final Examination	(40%)	Chapters 1 to 21	April 16 - May 9, 1997

Schedule:

Date	Subject	Chapter(s)	Questions	Problems
12/09/96	1 Financial Management, Taxation	1 and 3	1-1, 3, 8; 3-1, 2, 4	3-1, 2
19/09/96	2 Financial Markets	2 (pp. 30-50)	2-1, 2, 6, 12	2-1, 5, 7, 8
26/09/96	No Class			
03/10/96	3 Time Value of Money	4	4-1, 3	4-1, 4, 6, 10, 16, 21
10/10/96	4 Bond Valuation	5 (pp. 129-142)	5-1 (a-f), 5	5-1, 2, 3, 7
17/10/96	5 Stock Valuation	5 (pp. 143-158)	5-1 (g-j), 2, 3	5-4, 5, 6, 8, 9, 10
24/10/96	6 Risk & Rates of Return	6 (pp. 186-202)	6-1 (a-i), 4, 8, 9	6-1, 3, 10, 11
31/10/96	7 Risk & Rates of Return (cont.)	6 (pp. 203-221)	6-1 (j-q), 6	6-2, 4, 7, 15
07/11/96	8 Cost of Capital	7	7-1, 3	7-1, 2, 3, 6
14/11/96	9 Options	5 (pp. 158-173)	5-1 (k, l)	5-11, 12, 13
21/11/96	Midterm Examination #1			
28/11/96	10 Capital Budgeting	8 (pp. 278-301)	8-1, 4	8-1, 2, 4, 7
05/12/96	11 Project Cash Flow Analysis	9	9-1	9-1, 4, 5, 6
09/01/97	12 Risk Analysis	10 (pp. 349-366)	10-1, 2, 3, 5, 6	10-1, 2, 3, 6, 7, 8
16/01/97	13 Financial Statements Analysis	20	20-1, 2, 4	20-1, 4, 6, 7 (a, b)
23/01/97	14 Financial Planning	21	21-1, 3, 6	21-1, 3
30/01/97	15 Capital Structure Theory	11 (pp. 393-406)	11-1 (a-g), 3, 5	11-1, 2, 3
06/02/97	16 Capital Structure Theory (cont.)	11 (pp. 407-418)	11-1 (h-j)	11-5, 6, 7
13/02/97	17 Capital Structure Policy	12	12-1, 3, 7, 9, 14	12-2, 4, 7
20/02/97	Reading Week			
27/02/97	Midterm Examination #2			
06/03/97	18 Dividend Policy	13	13-1, 3, 4, 6	13-1, 2, 3
13/03/97	19 Common Shares	14	14-1, 6, 7	14-1, 3, 7
20/03/97	20 Debt Securities	15	15-1, 3, 4, 6	15-4, 5, 6
27/03/97	21 Leasing	16	16-1, 2, 3	16-1, 2
03/04/97	22 Working capital management	17	17-1, 4, 5, 7	17-1, 2, 8, 9
10/04/97	23 Working capital man. (cont.)	18, 19	18-1, 2, 4; 19-1, 3	18-1, 2; 19-2, 3
April 97	Final Examination			