



King Saud University
Department of Mathematics
Syllabus of
Actu 262, FIRST semester 1443 H

Course code: Actu 262

Course title: Cooperate finance

Pre-Requisite: (Fin 200)

Instructor: S. Obaidat

Room 2A123, Building 4, Mathematics Department.

1. **Text Book:** Fundamentals of Corporate Finance, S. A Ross, R. W. Westerfield and B. D Jordan, McGraw-Hill/Irwin, Ninth Edition, 2010.

References:

- 1- Corporate Finance, Berk, Jonathan and Demarzo, Peter, 4th Edition, 2017

2- Course objectives

1. Learn the concepts of cooperate finance and financial management goal
2. Writing financial statement for the company and future plan for eac company
3. Studing loan, bond and evaluate the stock price..

Course learning outcomes

Students completing this course successfully will be able to:

- How stock prices depend on future dividends and dividend growth.
- The different ways corporate directors are elected to office.
- How the stock markets work.
- The reasons why the net present value criterion is the best way to evaluate proposed investments.
- The payback rule and some of its shortcomings.
- The discounted payback rule and some of its shortcomings.
- Accounting rates of return and some of the problems with them.
- The internal rate of return criterion and its strengths and weaknesses.
- The modified internal rate of return.
- The profitability index and its relation to net present value.
- How to determine the relevant cash flows for a proposed project.
- How to determine if a project is acceptable.
- How to set a bid price for a project.
- How to evaluate the equivalent annual cost of a project..

Course contents

Week #	Topics	Contact hours (Lectures+Tutorials)
1	INTRODUCTION TO CORPORATE FINANCE a. Corporate Finance and the Financial Manager b. Forms of Business Organization. c. The Goal of Financial Management. d. The Agency Problem and Control of the Corporation. Financial Markets and the Corporation.	3+2
2	FINANCIAL STATEMENTS, TAXES, AND CASH FLOW a. The Balance Sheet b. The Income Statement c. Taxes Cash Flow	3+2
3	WORKING WITH FINANCIAL STATEMENTS a. Standardized Financial Statements b. Ratio Analysis c. The Du Pont Identity Using Financial Statement Information	3+2
4	LONG-TERM FINANCIAL PLANNING AND GROWTH a. What Is Financial Planning b. Financial Planning Models: A First Look c. The Percentage of Sales Approach d. External Financing and Growth Some Caveats Regarding Financial Planning Models	3+2

Grading	Percentage	Date of the test
Midterm Exam 1	25%	26/09/2021
Midterm Exam 2	25%	7/11/2021
Project	10%	06/12/2021
Final Exam	40%	23/12/2021
Total	100%	