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|  | <p>King Saud University - College of Business Syllabus: Principles of Finance (FIN 200) Fall 1436/1437 2015/2016</p> <hr/> <p>Pre-requisite: Acct 201</p> |  |
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Office Room: TBD

Office hours: Please feel free sending me an email to book an office hour

Course description

The course deals with managing business funds and planning their use to accomplish organizational objectives. It covers the following topics: techniques of financial analysis and planning such as financial statements analysis, ratio construction and analysis, interest and time value of money, discounted cash flow analysis; capital budgeting, stock valuation, capital budgeting, and risk and return.

Methodology

We will use lectures, case discussions and overview of some applications to topics of financial analysis.

Course objectives

The course aims to acquaint students with the principles and techniques of financial analysis, and to integrate and apply economic and financial principles to decision-making.

Upon successful completion of the course, students will be able to:

- Know the scope of corporate finance and the responsibilities of the financial manager.
 - Know the differences between the financial statements and how to analyze these statements by using ratio analysis.
 - Understand the basics of time value of money.
 - Solve problems for future and present values of multiple cash flows, annuities and perpetuities.
 - Value stocks.
 - Know the basics of capital budgeting
 - Understand the relationship between risk and return
 - Apply the skills of critical thinking (knowledge, comprehension, application, analysis, and evaluation) to solve problems and to support statements of beliefs and opinions related to business finance.
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Required Textbook

Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, **Fundamentals of Corporate Finance**, 9th Edition, McGraw Hill, International Edition, 2008.

Or,

Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, and Jorg Bley, **Fundamentals of Corporate Finance**, McGraw Hill, Middle East Edition, 2012.

Required Chapters: 1, 2, 3, 5, 6, 8, 9, and 13.

Course outline

| Week (including vacations) | Topics | International 9 th Edition | Middle-East Edition |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------|
| 1 | <ul style="list-style-type: none"> Introduction to Corporate Finance Required Topics: 1.1, 1.2 & 1.3. | Ch.1, PP: 1-10 | Ch.1, PP:1-10 |
| 2 + 3 | <ul style="list-style-type: none"> Financial Statements, Taxes, and Cash Flow. Required Topics: All | Ch. 2 | Ch. 2 |
| 4 | <ul style="list-style-type: none"> Working with Financial Statements. Required Topics: All | Ch.3 | Ch.3 |
| 5+ ½(6) | Eid Al-Adha Break | | |
| ½(6)+7 | Cont. Working with Financial Statements. Required Topics: All | Ch.3 | Ch.3 |
| 8+9 | <ul style="list-style-type: none"> Introduction to Valuation: The Time Value of Money. Required Topics: All | Ch. 5 | Ch. 5 |
| 10 | <ul style="list-style-type: none"> Review and preparation for the First Midterm exam | | |
| | Midterm Exam: Thursday October 29, 2015 (3:00 pm- 5:00 pm) Includes: Ch.1, Ch. 2, Ch. 3, & Ch. 5 | | |
| 11 | <ul style="list-style-type: none"> Discounting Cash Flow Valuation. Required Topics: All | Ch.6 | Ch.6 |
| 12 | <ul style="list-style-type: none"> Stock Valuation Required Topics: Only 8.1 & 8.2 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Quiz I: Ch. 6 & Ch. 8</div> | Ch. 8, PP. 231-246 |
| 13 + 14 | <ul style="list-style-type: none"> Net Present Value and Other Investment Criteria, Required Topics: From the beginning until “Problems with the IRR” | Ch. 9, PP. 260 - 276 | Ch. 9, PP. 280-296 |
| 15 | <ul style="list-style-type: none"> Risk and Return, Required Topics: 13.1 & 13.2 | <div style="border: 1px solid black; padding: 2px; display: inline-block;">Quiz II: Ch. 9 & Ch. 13</div> | Ch. 13, PP. 401-408 |
| 16 | Review and Preparation for the Final Exam | | |
| FINAL EXAM | | | |
| Required Topics: All of the above | | | |

Exams and Grading

Exams

There will be two **unified** multiple-choice exams: one midterm exam and a final exam. There will also be two non-unified quizzes.

The mid-term exam will cover the required materials in chapters 1, 2, 3, and 5.

The final exam will be a cumulative test.

The first quiz will cover chapters 6 and 8, whereas the second quiz will cover only chapter 9.

You are not allowed to refer to textbook or class notes during the exams.

If you miss an exam without any prior permission, you will be given a grade of zero. Make up exams are available only for officially documented cases. The make- up exams are not necessarily multiple- choice exams.

Exam Regulations

- Students are NOT allowed to TALK to each other during the exam.
- Students are NOT allowed to BRING their Electronic devices, Bags, and Sunglasses into the examination room.
- Students must SHOW their photo IDs and SIGN the attendance sheet.
- Exchange of calculators is strictly prohibited during the exam.
- Each student must have his/her calculator (no borrowing or lending is allowed).
- The use of **cell phone/mobile phone** is **strictly prohibited** and even the use of it to check for time will be interpreted as an attempt of cheating, which gives the proctor of the exam the right to seize the cell phone and remove the student from the class room (i.e., the student will get a zero on the exam).
- The exam sheets (questions sheet **and** answer sheet) must be returned to the proctors of the exam after the student is done with the exam.

Grading distribution:

Your final grade will be based on your performance on two exams, two quizzes, and class participation.

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|---------------------|-------------|
| Mid- Term Exam | 30% |
| Quiz I | 10% |
| Quiz II | 10% |
| Class Participation | 10% |
| Final Exam | 40% |
| Total | 100% |

Regular and punctual attendance at all scheduled classes is expected from all students. Students may be denied entry to the final exam if they miss more than 25% of classes.