

King Saud University - College of Business Syllabus: Corporate Finance (FIN 210) FIN210_43414 Spring 1438/1439 2017/2018



Pre-requisite: Fin 200

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Office Room: #32

Office hours: 8-10 AM and by appointment

Course description

The course is an introduction to corporate finance and provides a framework for analyzing investment and financial decisions of corporations. The course is also an introduction to capital budgeting, capital structure, cost of capital, and dividend policy. The focus is on fundamental principles of modern financial theory, so the approach is rigorous and analytical.

Methodology

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

Course objectives

- Evaluate the role of the Corporate Finance Manager
- Demonstrate the ability to evaluate investment decisions using a variety of appraisal techniques
- Explain and describe the different elements of working capital
- Describe and calculate the cost of capital for a business
- Describe and evaluate the main sources of business finance
- Examine the factors that determine a company's dividend policy

Required Materials:

Financial Management, Core Concept. Third Edition, Raymond Brooks, Pearson, Global Edition. **MyFinanceLab:** You are required to purchase access to MyFinanceLab, <u>if you fail to do so you will lose up to 30% of total course credit.</u>

Required Chapters: 9, 10, 11, 13, 15, 16, 17.

How to Access and Login to MyFinanceLab:

- 1. Go to www.pearson.com/mylab.
- 2. Under Register, select **Student**.
- 3. Confirm you have the information needed, then select **OK! Register now.**
- 4. Enter your instructor's course ID: alshehri16435, and Continue.
- 5. Enter your existing Pearson account username and password to Sign In .
 » If you don't have an account, select Create and complete the required fields. Remember to Use your KSU email ID when registering.
- 6. Select an access option.
 - » Enter the access code that came with your textbook or that you purchased separately from the bookstore.

You Can Also Buy the code from University Bookstore at a discounted price! You can also get a temporary access for two weeks.

If you, for financial reasons, can't buy the book, please see the chairman of Finance Department for more help.

يمكنك شراء رمز الدخول للموقع والكتاب الالكتروني عن طريق مركز بيع الكتب التابع لصندوق الطلاب بالجامعة بسعر مخفض أيضا يمكنك الحصول على صلاحية الدخول لمدة أسبوعين تقريباً مجاناً وذلك لإعطائك فرصة لشراء رمز الدخول لاحقاً، وعند الشراء سيكون لديك صلاحية استخدام الكتاب والمصادر المتعلقة به لمدة سنتين من تاريخ الشراء. الطلاب اللذين لديهم مشاكل مادية وليس بإمكانهم دفع قيمة الكتاب عليهم مراجعة رئيس او وكيلة قسم المالية للمساعدة.

- 7. From the You're Done! page, select Go To My Courses.
- 8. On the My Courses page, select the course name **FIN210** to start your work.

To upgrade temporary access to full access:

- 1. Go to www.pearson.com/mylab.
- 2. Select Sign In.
- 3. Enter your Pearson account username and password, and Sign In.
- 4. Select Upgrade access for **FIN210**.
- 5. Enter an access code purchased from the University Bookstore or buy access with a credit card or PayPal.

Homework Assignment:

MyFinanceLab Homework Assignments: A portion of your grade will be based upon homework assignments in MyFinanceLab. The assignments are drawn from the problems at the end of each textbook chapter and practice problems. You should correctly answer each question prior to the posted due date. Homework problems that are attempted and submitted beyond the due date will receive a 40% reduction in credit. Make sure you perform well as possible on the Homework. Also, working the homework and Pre-Test quiz is the best preparation for the exams.

Prior to attempting any graded assessment, you may wish to use the Study Plan and Sample Tests in MyFinanceLab to receive a personalized study plan which will diagnose areas you need to practice. If you are having trouble with a particular question, while you are in the Assignment, you may want to click Help Me Solve This, View an Example, or Textbook Pages. If you still need help, please post a question on the Discussion Forum for the assigned Chapter.

Course outline

Week	Topics	Chapter #	
1 & 2	CAPITAL BUDGETING DECISION MODELS	Ch. 9	
3 & 4	CASH FLOW ESTIMATION	Ch. 10	
5 & 6	WORKING CAPITAL MANAGEMENT (ONLY TOPIC 13.3 FLOAT NOT INCLUDED)	Ch. 13	
1st Mid Term Exam, Sunday, 11-03-2018 (23-06-1439 H) 3 PM to 4 PM			
7 & 8	COST OF CAPITAL	Ch. 11	
9 & 10	RAISING CAPITAL	Ch. 15	
11 & 12	CAPITAL STRUCTURE	Ch. 16	
2nd Mid Term Exam, Tuesday, 17-04-2018 (01-08-1439 H) 3 PM to 4 PM			
13 & 14	DIVIDEND POLICY AND STOCK SPLITS	Ch. 17	

Exams and Grading

Exams

There will be three <u>unified multiple-choice exams</u>: Two midterm exam and a final exam. There will also be two non-unified quizzes.

The first mid-term exam will cover chapters 9, 10, 13

The second mid-term exam will cover chapters 11, 15, 16

The final exam will be a cumulative test.

The first quiz will cover chapters 9, 10 and 13, whereas the second quiz will cover chapters 11, 15 and 16.

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.

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.

Total	100%
Final Exam	40%
Class Participation & Attendance	10%
Assignments (MyFinancelab)	10%
Quizzes (MyFinancelab)	10%
2 nd Mid- Term Exam	15%
1 st Mid- Term Exam	15%

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.

^{*}This syllabus is subject to change by the Finance Department only at any time. Changes, if any, will be announced in class. Students will be held responsible for all changes.