

KING SAUD UNIVERSITY
SCHOOL OF BUSINESS ADMINISTRATION
FIN 210: Corporate Finance
2016

Lecturer: Reem Alnuaim, MBA.

Office: Office no.25

Office Hours: 12:00 -1:00 pm; Tuesday and Thursday, 8:00- 9:00am; Sunday, Tuesday, and Thursday.

Email: Ralnuaim@ksu.edu.sa

Prerequisites – FIN 200

Course Description:

This course applies corporate finance concepts to make management decisions. Students learn methods to evaluate financial alternatives and create financial plans in order to get the optimal capital structure. The course also sheds light on important issues in corporate finance from the viewpoint of financial managers who are accountable for making considerable investment and financing decisions.

The concept of net present value, suitably adapted to account for taxes, uncertainty, and strategic concerns, is used to analyze how investment and financing decisions interact to shape the value of the firm. A large segment of the lessons cover capital budgeting decisions. Emphasis is placed on the interaction of taxes and the cost of capital. Topics covered in this outline will include leasing and buying decisions.

The course also includes a conduct of dividend policy, the CAPM, and capital market efficiency, as they relate to the value-maximization objective of the firm.

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

Highly Recommended:

Wall Street Journal; Financial Times; Economist.

Class Format

The class will consist of lectures, class discussions, student presentations and select exercises. Students are expected to actively participate in class.

Blackboard: I will use Blackboard and my website;<http://fac.ksu.edu.sa/Ralnuaim>) throughout the course.

Participation and Attendance:

Class attendance and participation is mandatory. I will be taking attendance regularly. Cell phones should be off during the class. No coming late and leaving early.

Grading:

The following assignments and exams will constitute your grade for the course.

Midterm 1	25%
Midterm II	20%
Final Exam	40%
<u>Course project & Assignments</u>	<u>15%</u>
Total	100%

Exams:

Midterm 1 : March 8

Midterm II: April 10

Note: A make-up exam will be given only once during the semester. It will take place **AFTER** the second Midterm exam, and it will cover the entire material.

COURSE OUTLINE

Week	COURSE OUTLINE	<u>Chapters:</u>
Jan. 24	Introductions and course overview - Raising Capital	Chapter 15
Jan. 31	Raising Capital	Chapter 15
Feb. 7	Cost of Capital	Chapter 14
Feb. 14	Cost of Capital	Chapter 14
Feb. 21	Net Present Value and Other Investment Criteria	Chapter 9
Feb. 28	Net Present Value and Other Investment Criteria Midterm I	Chapter 9
Mar.6	Project Analysis and Evaluation	Chapters 11
Mar. 13	Project Analysis and Evaluation	Chapter 11
Mar. 20	Financial Leverage and Capital Structure Policy	Chapter 16
Mar. 27	Financial Leverage and Capital Structure Policy	Chapter 16
Apr. 3	Making Capital Investment Decision Midterm II	Chapter10

Apr. 10	Making Capital Investment Decision	Chapter 10
Apr. 17	Dividends Theory	Chapter 17
Apr. 24	Dividends Theory	Chapter17