**FIN 501**

**DESCRIPTION**

The course is an introduction to corporate finance and provides a framework for analyzing investment and financial decisions of corporations. The course intends to discuss various topics like the introduction to the time value of money, analyze financial statements, capital budgeting, valuation of stocks and bonds, define and measure the price risk, compute the cost of capital etc. The focus is on fundamental principles of modern financial theory, so the approach is rigorous and analytical**.**

**LEARNING OBJECTIVES & REQUIRED MATERIALS**

The objective of this course is to provide students with the basic concepts of finance and corporate finance. On successful completion of this course, students should be able to:

1. Identify and describe the elements of financial environment, which include types of firms, instruments, and markets, 2. Outline the items of financial statements, 3. Analyze financial statements, 4. Compute present and future values of different streams of cash flows, 5. Define, measure, and price risk, 6. Relate risk to return, 7. Value bonds and stocks, 8. Calculate the cost of capital components, 9. Evaluate cash flow of projects (capital budgeting)

**Required Materials:**

**Corporate Finance 5th/e Global Edition,** Berk, Jonathan | DeMarzo, Peter | Harford, Jarrad, **Pearson**

**Textbook ISBN-13: 9781292304151**

**MyLab Finance:**You are required to purchase access to MyLab Finance, if you fail to do so you will lose up to 30% of total course credit.

You can purchase the code from the following websites:

<http://www.pearsoned.co.uk/bookshop/detail.asp?item=100000000692791>

<http://www.aljadawel.sa/Book/index>

**COURSE OUTLINE AND GRADING DISTRIBUTION**

**Course outline**

|  |  |  |  |
| --- | --- | --- | --- |
| **WEEK** | **CHAPTER** | **DESCRIPTION** | **Assignments** |
| **HW** | **Quiz** | **Exam** |
| **2** | **1** | The Corporation | 1 | 1 |  Final 1 Midterm 1 |
| **3** | **2** | Financial Statement Analysis | 1 |
| **5** | **4** | Time Value of Money | 1 | 1 |
| **6** | **6** | Valuing Bonds | 1 |
| **7** | **7** | Investment Decision Rules | 1 | 1 |
| **8** | **8** | Fundamental of Capital Budgeting | 1 |
| **10** | **9** | Valuing Stocks | 1 | 1 |
| **11** | **10** | Capital Markets and Pricing of risk | 1 |
| **12** | **11** | Optimum Portfolio choice and CAPM | 1 | 1 |
| **13** | **12** | Estimating the Cost of Capital | 1 |
| Total | 10 | 5 | 2 |

**EVALUATION**

|  |  |
| --- | --- |
| Midterm Exams | 30%                      |
| Quizzes | 25% |
| HW Assignment | 5%                      |
| Final exam | 40% |
| **Total** | **100%** |

**Study Plan :**

In MyLab Finance, each student will complete an individualized Study Plan that reflects their progress through the course material. Each section of the textbook covered in class is associated with up to nine (usually five) Objectives, each worth one Mastery Point. Each Objective may be practiced by using the Practice button in the Study Plan. You will  be graded based on the number of mastery points earned and you can earn mastery points by successfully taking a Quiz Me. If you are having trouble with a particular question, while you are in the problem, 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. Remember, working study Plan problems is the best preparation for the exams.

**Homework Assignment:**

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 10% reduction in credit per day. Make sure you perform well as possible on the Homework.

**Quizzes:**

Quizzes are proctored and are given on campus every 3 weeks. These quizzes are provided as an aid for preparing for the midterm and the final exam. The practice quiz will contain 5-15 questions and you will only have 40 minutes to take the quiz. Each quiz will only pertain to the chapters that are being covered in the preceding 3 weeks. The instructor reserves the right to utilize whatever format (true-false, multiple choice, fill in the blank, essay/short answer) or combination of formats she deems necessary and in the students’ best interest. Remember, you only have three attempts for each quiz.

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 instructor only at any time. Changes, if any, will be announced in class. Students will be held responsible for all changes.