

KING FAHD UNIVERSITY OF PETROLEUM & MINERALS
College of Industrial Management
Department of Finance & Economics

Course Syllabus

Financial Management II
FIN 302 Sections 04
First Semester (Term 071)

Instructor: Dr. Mohammed Alzahrani	Office: B24-248
Phone: 860-1626	Fax: 860-2585
Class Hours: Section 04: UT 10:00 AM – 11:15 AM	Office Hours: Sunday 1:30PM – 3:00PM Tuesday 1:30 PM – 3:00PM
Class Location: Section 04: B24-141	Other times by appointment
E-mail: mfaraj@kfupm.edu.sa	Web:: http://faculty.kfupm.edu.sa/FINEC/mfaraj

Prerequisites: FIN 301

Required Materials:

Text: *Fundamentals of Corporate Finance*, by Brealey, Myers, and Marcus, 5th Ed., McGraw-Hill, 2007.

Calculator: Financial calculator is required. The Texas Instruments BA II Plus or BA II Plus Professional is highly recommended.

Optional Materials: *The Wall Street Journal* is highly recommended for awareness of business and finance current events and will enrich class discussion. *Business Week*, *The Economist*, *Barron's*, *Forbes*, *Fortune* are also excellent business publications. The student CD that accompany your book is quite interesting and provides useful resources and we blinks.

Purpose: To provide the student with the basic knowledge of concepts, problem-solving techniques, and applications of financial management. These fundamentals of finance are used in decision-making of business firms and personal money management. Operational financial topics include allocation of funds, asset management, and policy determination and analysis of financial environment.

Attendance: Attendance is expected. Students will be able to grasp the subject matter better if they have good attendance and are attentive in class. Additional study outside of class and homework (especially solving problems) are a prerequisite for earning good grades. Part of your course grade might come from attendance quizzes. Attendance quizzes are random checks of attendance. They may occur at any point in time during class.

Excessive Absences: A grade of "DN" will be given for more than 6 unexcused absences.

Examinations: There will be two exams and a final examination. Each in-class exam will be worth 20 points. Exams will be mostly objective (multiple choice and numerical calculations). Subjective questions will also be used where appropriate. The final exam will be worth 30 points. It is a comprehensive exam.

SPECIAL NOTE: Examinations are the property of the Finance Department. You will receive a grade of zero on the exam if you do not return the exam after reviewing your grade or if you leave the classroom with the exam at any time.

Exams will be announced at least a week in advance, but a tentative schedule is attached. More information will be given about exams as they approach, however, you may not use cell phones, pagers, PDAs, or other multifunction devices as calculators during the exams or quizzes. In addition, you may not share calculators for exams or quizzes. No Exceptions!!.

Students must bring their Student Identification Card, scantron sheet; number two pencil, and financial calculator. You will be provided a formula sheet for the semester. This formulae sheet will be attached to every exam you will have in this class. The formula sheet will be collected with the exam.

Make-Up Exams:

No make-up exams will be given – even for illness or any other absence. If you miss any exam(s), the final will count 50 points maximum.

Quizzes and Homework: 4 quizzes will be given during the semester for a total of 15 points. The quizzes will focus on the material since the last quiz/exam and will be based primarily on assigned homework. It is advisable for you to do all the homework assignments. Homework may not be collected or graded. You are welcome to ask questions about homework in class after you have made a sincere effort to do the assignment. Quizzes may not be made up under any circumstances. Quizzes are graded on a ‘one-less-than-given’ basis. That is, you miss one quiz, it is still possible to get all the quiz points.

Class Project: The project is related to one of the topics discussed in this class. The structure of the project will be provided to you ahead of time. You will have to give presentation on your work.

Extra Credit: The instructor reserves the right to assign extra credit work whenever needed. Just do not ask for one.

Grades: Final grades will be based on a 100 point total.

In-Class Exams (2)	40
Final Exam	30
Best 3 Quizzes	15
Class Project	10
Attendance, Participation, and other assignments	<u>5</u>
Total Points	100

Class average on exams will be adjusted UP to 70% if necessary (no downward adjustments).

Drop Policy: The official university policy will be followed. Be aware of these dates:
Tuesday Sep. 18, last day to drop the course with no record
Tuesday Nov. 6, last day to drop the course with an automatic “W”

Academic Dishonesty and Misconduct: The university policy will be followed. Cheating will not be tolerated.

Additional Policies:

- Exam scores or grades will not be given out over the phone.
- Cell phones, pagers and other electronic devices must be turned off during the class. Repeated interruption from these items will run the risk of dismissing the student from the class or the items being confiscated.
- Class will begin on time. If you are late, make every effort to minimize disruption to other students.
- You are responsible for all material presented in class. If you miss any material because of absence or tardiness, you should ask another student for notes. Office hours are specifically for the purpose of addressing questions and problems related to class and are reserved for students. Times other than posted for office hours are by appointment, but are available.

FIN 302-UT First Semester (071) TENTATIVE SCHEDULE			
Date	Topic	Ch.	Notes
Sun, Sep 09	Valuing Bonds	5	
Tue, Sep 11	NO CLASS		
Sun, Sep 16	Valuing Bonds (cont'd)	5	
Tue, Sep 18	Valuing Bonds (cont'd)	5	
Sun, Sep 23	National Holiday		
Tue, Sep 25	Valuing Stocks	6	
Sun, Sep 30	Valuing Stocks (cont'd)	6	
Tue, Oct 02	Valuing Stocks (cont'd)	6	
Sun, Oct 07	Holiday		
Tue, Oct 09	Holiday		
Sun, Oct 14	Holiday		
Tue, Oct 16	Holiday		
Sun, Oct 21	Introduction to Risk, Return, and the opportunity cost of capital	10	
Tue, Oct 23	Introduction to Risk, Return, and the opportunity cost of capital (cont'd)	10	Quiz1 (Ch 5 and 6)
Sun, Oct 28	Introduction to Risk, Return, and the opportunity cost of capital (cont'd)	10	
Tue, Oct 30	Risk, Return, and capital budgeting	11	
Sun, Nov 04	Risk, Return, and capital budgeting (cont'd)	11	Quiz 2 (Ch. 10 and 11)
Tue, Nov 06	The Weighted-average cost of capital and company value	12	
Sun, Nov 11	EXAM 1 (Ch. 5,6,10,11,12)		In Class Exam
Tue, Nov 13	Introduction to corporate financing and Governance	13	
Sun, Nov 18	Debt Policy	15	
Tue, Nov 20	Debt Policy (cont'd)	15	
Sun, Nov 25	Debt Policy (cont'd)	15	
Tue, Nov 27	Payout Policy	16	
Sun, Dec 02	Payout Policy (cont'd)	16	
Tue, Dec 04	Payout Policy (cont'd)	16	Quiz3 (Ch3,15,16)
Sun, Dec 09	Venture Capital, IPOs, and Seasoned Offerings	14	
Tue, Dec 11	EXAM 2 (Ch. 13,15,16)		In Class Exam
Sun, Dec 16	Holiday		
Tue, Dec 18	Holiday		
Sun, Dec 23	Holiday		
Tue, Dec 25	Holiday		
Sun, Dec 30	Venture Capital, IPOs, and Seasoned Offerings (cont'd)	14	
Tue, Jan 01	Mergers, Acquisitions, and corporate control	21	
Sun, Jan 06	Mergers, Acquisitions, and corporate control (cont'd)	21	
Tue, Jan 08	Review & Presentations		Quiz 4 (Ch 14,21)
Sun, Jan 13	Review & Presentations		
Tue, Jan 15	Review & Presentations		
Tue, Jan 22	Final Exam (Comprehensive) at 7:00 PM		
Wed, Jan 30	Grades Due (at 3 PM)		