

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

Course Syllabus

Corporate Finance
FIN 501 - Section 01
First (Fall) Semester (Term 101)

Instructor: Dr. Mohammed Alzahrani, CFA	Office: B24-248
Phone: 860-1626	Fax: 860-2585
Class Hours: UT 05:00 PM – 06:15 PM Class Location: B24-135	Office Hours: Sunday 4:00PM – 5:00PM Tuesday 4:00PM – 5:00PM Other times by appointment
E-mail: mfaraj@kfupm.edu.sa	Web: http://faculty.kfupm.edu.sa/FINEC/mfaraj Check the course material on Balckboard/WebCT http://webcourses.kfupm.edu.sa/webct/entryPageIns.doweбct

Required Materials:

Text: Eugene, Brigham and Joel Houston, Fundamentals of Financial Management, 12th edition, South-Western, 2009.

Tools: Spreadsheet software, online financial data, and financial calculator will be used in the course.

Additional Readings: Excerpts from journal articles and business cases will be distributed in class.

Optional Materials: Local business publications such as *Aleqtisadia* and international business publications such as *The Wall Street Journal* or *Financial Times* are 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.

Objectives: The Primary objective of this foundation course is to develop skills and abilities in financial analysis and provide a framework for making financing and investment decisions. Such a framework is based on the notion of firm value maximization. This course discusses the basic concepts in financial management, including firm performance evaluation, time value of money, analysis of risk and return, valuation of financial assets, capital budgeting, and capital structure policies.

Pedagogy: The course will utilize hands-on activities and problems solving. In addition, real world examples and business cases will be used to enhance the understanding of concepts under discussion. Group discussions and individual participation is expected and will be rewarded.

Attendance & Participation: Attendance is expected. Students will be able to grasp the subject matter better if they have good attendance and are attentive in class. Pre-class reading of the material to be covered is a prerequisite for earning good grades. Part of your course grade comes from participation in class. Your active participation is important.

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

Examinations: There will be one mid-term exam and a final exam. Each exam will be worth 30 points. Exams will be a combination of multiple choice and essays questions that involves quantitative and qualitative problems. Quantitative answers that do not show work do not earn points. The exams are cumulative in the sense that the material covered on the final exam builds upon the material from the mid-term. Exams will be announced at least a week in advance, but a tentative schedule is attached. No make-up exams will be given – even for illness or any other absence. Treat these dates as you would an important meeting in the business world.

Assigned problems and Cases: During the course, I will assign problems and business cases. These assignments can be either individual- or team-based. In team-based assignments, the student's score is weighted by his peer evaluation. All detailed requirements will be discussed at the time the assignment is distributed.

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.

Mid-term Exam	30
Final Exam	30
Assigned Problems and Cases	30
Attendance, Participation, and other assignments	<u>10</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:

Wed, Oct 6th, last day to drop the course with no record
Wed, Nov 3rd, last day to drop the course with an automatic “W”

Academic Dishonesty and Misconduct: The university policy will be followed. Plagiarism and 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.
- 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 510-UT First Semester (101) TENTATIVE SCHEDULE

Date	Topic	Ch.	Notes
Sun, Sep 26	Overview of Financial Management	1	
Tue, Sep 28	Financial Markets and Institutions	2	
Sun, Oct 03	Financial Markets and Institutions	2	
Tue, Oct 05	Financial Statements and Cash flow	3	
Sun, Oct 10	Financial Statements and Cash flow	3	
Tue, Oct 12	Financial Statements and Cash flow	3	
Sun, Oct 17	Analysis of Financial Statements	4	
Tue, Oct 19	Analysis of Financial Statements	4	
Sun, Oct 24	Analysis of Financial Statements	4	
Tue, Oct 26	Time Value of Money	5	
Sun, Oct 31	Time Value of Money	5	
Tue, Nov 02	Time Value of Money	5	
Sun, Nov 07	Time Value of Money	5	
Tue, Nov 09	Mid-Term Exam		Ch. 1,2,3,4,5
Sun, Nov 14	EID Break		
Tue, Nov 16			
Sun, Nov 21			
Tue, Nov 23			
Sun, Nov 28	Interest Rates	6	
Tue, Nov 30	Bonds and their valuation	7	
Sun, Dec 05	Bonds and their valuation	7	
Tue, Dec 07	Stocks and their valuation	9	
Sun, Dec 12	Stocks and their valuation	9	
Tue, Dec 14	Risk and Return	8	
Sun, Dec 19	Risk and Return	8	
Tue, Dec 21	Cost of capital	10	
Sun, Dec 26	Cost of capital	10	
Tue, Dec 28	Basics of Capital Budgeting	11	
Sun, Jan 02	Basics of Capital Budgeting	11	
Tue, Jan 04	Cash Flow Estimation and Risk Analysis	12	
Sun, Jan 09	Cash Flow Estimation and Risk Analysis	12	
Tue, Jan 11	Capital Structure and Leverage	14	
Sun, Jan 16	Distributions to Shareholders	15	
Sat, Jan 29	Final Exam at 7:00 PM		Ch.6,7,8,9,10,11,12,14,15
Tue, Feb 01	Grades Due (at 3 PM)		