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| aشعار الجامعةpsd | **King Saud University - College of Business**  **Syllabus: Principles of Finance (FIN 200)**  **Fall 1434/1435**  **2013/2014**  **Pre-requisite: Acct 201** | **http://cba.ksuedu.server261.com/file/news/cba_logo.gif** |

**Instructor: Dr. Durga Prasad Samontaray**



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Office Room:S 36

**Office hours:**

Sunday 12 p.m. to 2.00 p.m. (Section 29770)

Monday 12 p.m. to 2.00 p.m. (Section 29048)

Tuesday 12 p.m. to 2.00 p.m. (Section 33056)

**Course description**

The course deals with managing business funds and planning their use to accomplish organizational objectives. It covers the following topics: techniques of financial analysis and planning such as financial statements analysis, ratio construction and analysis, interest and time value of money, discounted cash flow analysis; capital budgeting, stock valuation, capital budgeting, and risk and return.

**Methodology**

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

**Course objectives**

The course aims to acquaint students with the principles and techniques of financial analysis, and to integrate and apply economic and financial principles to decision-making.

Upon successful completion of the course, students will be able to:

* Know the scope of corporate finance and the responsibilities of the financial manager.
* Know the differences between the financial statements and how to analyze these statements by using ratio analysis.
* Understand the basics of time value of money.
* Solve problems for future and present values of multiple cash flows, annuities and perpetuities.
* Value stocks.
* Know the basics of capital budgeting
* Understand the relationship between risk and return
* Apply the skills of critical thinking (knowledge, comprehension, application, analysis, and evaluation) to solve problems and to support statements of beliefs and opinions related to business finance.

**Required Textbook**

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

**Or,**

Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, and Jorg Bley, **Fundamentals of Corporate Finance**, McGraw Hill, Middle East Edition, 2012.

**Required Chapters: 1, 2, 3, 5, 6, 8, 9, and 13.**

**Course outline**

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| **Week** | **Topics** | International 9th Edition | Middle-East Edition |
| **1** | * Introduction to Corporate Finance   **Required Topics:** 1.1, 1.2 & 1.3. | **Ch.1, PP: 1-10** | **Ch.1, PP:1-10** |
| **2** | * Financial Statements, Taxes, and Cash Flow.   **Required Topics**: All | **Ch. 2** | **Ch. 2** |
| **3** |
| **4** | * Working with Financial Statements.   **Required Topics: All** | **Ch.3** | **Ch.3** |
| **5** |
| **6** | * Introduction to Valuation: The Time Value of Money.   **Required Topics: All** | **Ch. 5** | **Ch. 5** |
| 7 | Eid Al Adha Break / No classes | | |
| **8** | **Review and preparation for the First Midterm exam**  **First Midterm Exam: Saturday**, **Thul-Hijjah 21, 1434 A.H**.  **October 26, 2013** | | |
| **9** | * Discounting Cash Flow Valuation.   Required Topics: All | **Ch.6** | **Ch.6** |
| **10** |
| **11** | * Stock Valuation   **Quiz I**  Required Topics: Only 8.1 & 8.2 | Ch. 8, PP. 231-246 | Ch. 8, PP. 247-262 |
| **12** | * Net Present Value and Other Investment Criteria, Required Topics: From the beginning until “Problems with the IRR”   **Quiz II** | Ch. 9, PP. 260 - 276 | Ch. 9, PP. 280-296 |
| **13** |
| **14** | * Risk and Return,   Required Topics: 13.1 & 13.2 | Ch. 13, PP. 401-408 | Ch. 13, PP.  427-434 |
| **15** |
| **16** | Review and Preparation for the Final Exam | | |
| FINAL EXAM  Required Topics: All of the above | | | |

**Exams and Grading**

**Exams**

There will be two unified multiple-choice exams: one midterm exam and a final exam. There will also be two non-unified quizzes.

The mid-term exam will cover chapters 1, 2, 3, and 5.

The final exam will be a cumulative test.

The first quiz will cover chapters 6 and 8, whereas the second quiz will cover only chapter 9.

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.

**Grading distribution:**

Your final grade will be based on your performance on two exams, two quizzes, and class participation.

Mid- Term Exam 30%

Quiz I 10%

Quiz II 10%

Attendance and Class Participation   10%

Final Exam  40%

**Total**  **100%**

Regular and punctual attendance at all scheduled classes is expected from all students.