



## Course Specifications

<b>Course Title:</b>	Principles of Corporate Finance
<b>Course Code:</b>	Fin 211
<b>Program:</b>	BSBA (Finance)
<b>Department:</b>	Finance
<b>College:</b>	Business Administration
<b>Institution:</b>	Prince Sattam bin Abdulaziz University, Al-Kharj

## Table of Contents

<b>A. Course Identification</b> .....	<b>3</b>
6. Mode of Instruction (mark all that apply) .....	3
<b>B. Course Objectives and Learning Outcomes</b> .....	<b>3</b>
1. Course Description .....	3
2. Course Main Objective.....	3
3. Course Learning Outcomes .....	4
<b>C. Course Content</b> .....	<b>4</b>
<b>D. Teaching and Assessment</b> .....	<b>5</b>
1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods .....	5
2. Assessment Tasks for Students .....	6
<b>E. Student Academic Counseling and Support</b> .....	<b>7</b>
<b>F. Learning Resources and Facilities</b> .....	<b>7</b>
1. Learning Resources .....	7
2. Facilities Required.....	7
<b>G. Course Quality Evaluation</b> .....	<b>8</b>
<b>H. Specification Approval Data</b> .....	<b>8</b>

## A. Course Identification

<b>1. Credit hours:</b> 4
<b>2. Course type</b>
a. University <input type="checkbox"/> College <input type="checkbox"/> Department <input checked="" type="checkbox"/> Others <input type="checkbox"/>
b. Required <input checked="" type="checkbox"/> Elective <input type="checkbox"/>
<b>3. Level/year at which this course is offered:</b> 5 <sup>th</sup>
<b>4. Pre-requisites for this course (if any):</b> ECON 101 or ACCT 103
<b>5. Co-requisites for this course (if any):</b> N/A

### 6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	44	100
2	Blended		
3	E-learning		
4	Distance learning		
5	Other		

### 7. Contact Hours (based on academic semester)

No	Activity	Contact Hours
1	Lecture	44
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	<b>Total</b>	44

## B. Course Objectives and Learning Outcomes

### 1. Course Description

This course introduces the topic of managerial finance. In addition, different aspects of the investment decision will be covered as well as the link between risk and value, and the management of the capital investment process. Therefore, the main topics covered in this course include: (1) introduction to managerial finance; (2) discounting; (3) risk and return; (4) equity and debt valuation; (5) capital budgeting and its practices.

### 2. Course Main Objective

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

### 3. Course Learning Outcomes

CLOs		Aligned PLOs
<b>1</b>	<b>Knowledge and Understanding</b>	
1.1	Identify the role of financial managers and competitive markets in decision making	1.1
1.2	Understand the Valuation Principle, and how it can be used to identify decisions that increase the value of the firm	1.2
1.3	Value a series of many cash flows and a perpetual series of regular cash flows called a perpetuity.	1.3
1.4		
1.5		
<b>2</b>	<b>Skills :</b>	
2.1	Understand the different ways interest rates are quoted	2.1
2.2	Understand alternative decision rules and their Choose between mutually exclusive alternatives.	2.2
2.3	Understand bond terminology, analyze why bond prices change over time and know how interest rate risk affects the expected return from holding a corporate bond.	2.3
2.4	Understand the tradeoff between dividends and growth in stock valuation and Value a stock as the present value of its expected future dividends.	2.4
<b>3</b>	<b>Values:</b>	
3.1	Identify the role of financial managers and competitive markets in decision making.	3.1
3.2	Calculate the expected return and volatility (standard deviation) of a portfolio.	3.2
3.3	Understand the tradeoff between risk and return for large portfolios versus individual stocks.	3.3
3.4	Identify which types of securities have historically had the highest returns and which have been the most volatile.	3.4

### C. Course Content

No	List of Topics	Contact Hours
1	<b>Class introduction</b> <b>Introduction: Corporate Finance and the Financial Manager:</b> <ul style="list-style-type: none"> <li>- Why Study Finance?</li> <li>- The Financial Manager</li> <li>- The Financial Manager's Place in the Corporation</li> <li>- The Goal of Firms</li> </ul>	6 Hours
2	<b>Time Value of Money: An Introduction</b> <ul style="list-style-type: none"> <li>- The Time Value of Money and Interest Rates</li> <li>- Present Value and Future Value</li> <li>- Simple Interest and Compound Interest</li> <li>- Application: Discount Rates and Discount Factor</li> </ul>	6 Hours
3	<b>Capital Budgeting and Investment Decision Rules</b> <ul style="list-style-type: none"> <li>- Capital Budgeting Process</li> <li>- Capital Budgeting Techniques</li> <li>- Payback Period Decision Rule</li> </ul>	10 Hours

	<ul style="list-style-type: none"> <li>- The NPV Decision Rule</li> <li>- Using the NPV Rule</li> <li>- Internal Rate of Return Decision Rule</li> <li>- Alternative Decision Rules</li> <li>- Choosing Between Projects</li> <li>- Evaluating Projects with Different Lives</li> <li>- Choosing Among Projects When Resources Are Limited</li> </ul>	
4	<b>Risk and Return Analysis:</b> <ul style="list-style-type: none"> <li>- Risk Types and Attitudes</li> <li>- Return Analysis</li> <li>- Return Measurement: Expected Return</li> <li>- Risk Measurement: Standard deviation</li> <li>- Standard Deviation for Multiple Assets</li> <li>- Coefficient of variance (CV)</li> </ul>	6 Hours
5	<b>Debt Valuation: Bonds</b> <ul style="list-style-type: none"> <li>- Bond Terminology</li> <li>- Zero-Coupon Bonds</li> <li>- Coupon Bonds</li> <li>- Why Bond Prices Change</li> <li>- Corporate Bonds Valuation Models</li> <li>- Yield to Maturity</li> </ul>	8 Hours
6	<b>Equity Valuation: Stock Valuation</b> <ul style="list-style-type: none"> <li>- Stock Basics</li> <li>- Equity Types and Terms</li> <li>- The Mechanics of Stock Trades</li> <li>- The Dividend-Discout Model</li> <li>- Estimating Dividends in the Dividend-Discout Model</li> <li>- Limitations of the Dividend-Discout Model</li> <li>- Multiple Valuation Approach Model</li> </ul>	8 Hours
<b>Total</b>		44 Hours

## D. Teaching and Assessment

### 1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
<b>1.0</b>	<b>Knowledge and Understanding</b>		
1.1	Identify the role of financial managers and competitive markets in decision making	1). Class lectures. 2). Memorization of important concept and techniques. 3). Brainstorming sessions on related issues. 4). Home assignments. 5). Small group work	1) In class short MCQs quizzes 2) Two mid-term exams One final examination
1.2	Understand the Valuation Principle, and how it can be used to identify decisions that increase the value of the firm		
1.3	Value a series of many cash flows and a perpetual series of regular cash flows called a perpetuity.		

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
		6). Presentations by the students.	
<b>2.0</b>	<b>Skills</b>		
2.1	Understand the different ways interest rates are quoted	Cognitive skills are developed through lectures supported by assigning homework, giving chance to students for making presentations and independent learning.	Assessment of cognitive skills occurs in the range of assessment methods employed i.e. examination and course work
2.2	Understand alternative decision rules and their Choose between mutually exclusive alternatives.		
2.3	Understand bond terminology, analyze why bond prices change over time and know how interest rate risk affects the expected return from holding a corporate bond.		
2.4	Understand the tradeoff between dividends and growth in stock valuation and Value a stock as the present value of its expected future dividends.		
<b>3.0</b>	<b>Values</b>		
3.1	Identify the role of financial managers and competitive markets in decision making.		Successfully completing Mid 1- Mid 2 Quizzes- HW Study Plan & Final exam
3.2	Calculate the expected return and volatility (standard deviation) of a portfolio.		
3.3	Understand the tradeoff between risk and return for large portfolios versus individual stocks.		
3.4	Identify which types of securities have historically had the highest returns and which have been the most volatile.		

## 2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	Mid Term Examination	7th	25%
2	Quizzes	4th, 6th, and 8th	15%
3	Mini Project and Assignment	9th	10%
4	Final Term Examination	12th and 13th	50%
5			
7			
8			

\*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

## E. Student Academic Counseling and Support

### Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice:

CBAK faculty is available for their students for 6 office hours per week where students can set up appointments. In addition to these office hours, faculty can be contacted through e-mail and telephone. Also, additional time can be made available for individual student consultations and academic advice, etc. upon request by student(s) online through Zoom meeting

## F. Learning Resources and Facilities

### 1. Learning Resources

<b>Required Textbooks</b>	<p>Title: Fundamentals of Corporate Finance The Irwin/McGraw-Hill series in finance, insurance, and real estate</p> <p>Authors: Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan</p> <p>Edition: 12, illustrated</p> <p>Publisher: McGraw-Hill Education, 2018</p> <p>ISBN: 1260091902, 9781260091908</p> <p>Length: 1010 pages</p>
<b>Essential References Materials</b>	Lecture's materials and slides
<b>Electronic Materials</b>	<p><a href="http://www.tadawul.com.sa/">http://www.tadawul.com.sa/</a></p> <p><b>Finance.yahoo.com</b></p>
<b>Other Learning Materials</b>	Use of computer in problem solving exercises and Microsoft Excel in financial terms.

### 2. Facilities Required

Item	Resources
<b>Accommodation</b> (Classrooms, laboratories, demonstration rooms/labs, etc.)	Classrooms
<b>Technology Resources</b> (AV, data show, Smart Board, software, etc.)	Smart Board and software
<b>Other Resources</b> (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	

## G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
<p>At the end of each academic semester, students' feedback is taken. A survey form entitled; Course Evaluation Survey (CES) provided by NCAAA is administered by Quality &amp; Development Unit regularly using the Survey Monkey portal. In the CES, Q.No.5 to Q.No.9 reflects the students' opinion on the effectiveness of teaching. Further, students can also provide their feedback on the effectiveness of teaching using the open-ended questions given at the end of CES.</p>	Students	Questionnaire
<p>A senior faculty from the college/department nominated by DC visits the class and observes at least 2-3 classes during the entire semester. Peer observer provides his feedback on a template provided by Deanship of Development &amp; Quality viz. class observation form for developing the teaching learning process.</p>	HOD and some senior faculty	Peer review form
<p>At the end of each semester, the course instructor self-reflects his experiences during the semester and prepares the course report, which is discussed at the DC/CC for further improvement.</p>	HOD	Quality of CR

**Evaluation areas** (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

**Evaluators** (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

**Assessment Methods** (Direct, Indirect)

## H. Specification Approval Data

Council / Committee	Departmental Council
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<b>Reference No.</b>	
<b>Date</b>	October 2022