

Introduction to Finance

Basic Information

Title: Introduction to Finance

Code: FIN201

Credit Hours: 3 C.H.

Prerequisite(s): None

Classification: Compulsory Faculty Core

Course Description

The course provides an overview of financial decision making from the perspective of the corporate financial manager. Students discover how managers maximize shareholders' wealth by choosing the optimal allocation of capital and the optimal financial structure of the firm. Topics include risk-return relationships, the time value of money, the valuation of stocks and bonds, capital budgeting, the cost of capital and a brief introduction to financial markets. Parts of the material are quantitative.

Learning Objectives

- To give an understanding of the role of financial management in industry.
- To develop an appreciation of the impact of finance on business decisions
- To develop techniques and skills related to finance.

Learning Outcomes

Students will learn how to:

- Evaluate investment opportunities.
- Analyze a company's financial statements to answer business questions.
- Use financial formulas to evaluate cost of capital for decisions related to financing the operations of a corporation.
- Anticipate corporate financial needs through budgeting and forecasting techniques.
- Explain working capital concepts.

Course Outline

Module/Topic
<u>Module 01: Introduction To Financial Management</u> Introduction Objectives Lesson 01: The Goal Of The Firm Lesson 02: Legal Forms Of Business Lesson 03: Corporation and Financial Markets Summary Assessment
<u>Module 02: Understanding Financial Statement</u> Introduction Objectives Lesson 01: Income Statement Lesson 02: The Balance Sheet Lesson 03: Free Cash Flow Summary Assessment
<u>Module 03: Evaluating Firm's Financial Performance</u> Introduction Objectives Lesson 01: Ratio Analysis: How To Calculate Financial Ratios Lesson 02: Financial Analysis: How To Compare Ratios? Lesson 03: Dupont system of analysis Summary Assessment
<u>Module 04: Financial Forecasting and Planning</u> Introduction Objectives Lesson 01: Financial Planning Process Lesson 02: Cash Planning: Cash Budgets Lesson 03: Coping With Uncertainty In Cash Budget Summary Assessment
<u>Module 05: Time Value of Money</u> Introduction Objectives Lesson 01: Future Value Lesson 02: Present Value Lesson 03: Annuities Lesson 04: Mixed Cash Flow Streams

Module/Topic
<p>Summary Assessment</p>
<p><u>Module 06: Valuation of Bonds</u> Introduction Objectives Lesson 01: Interest Rates And Required Returns Lesson 02: Term Structure Of Interest Rates Lesson 03: Corporate Bonds Lesson 04: Valuation Fundamentals Summary Assessment</p>
<p><u>Module 07 : Valuation of Stocks</u> Introduction Objectives Lesson 01: The Rights of Stock Holders (Equity Holders) Lesson 02: Equity Financing: Common Stocks and Preferred Stocks Lesson 03: Common Stocks Valuation Summary Assessment</p>
<p><u>Module 08: Capital Budgeting Techniques</u> Introduction Objectives Lesson 01: Capital Budgeting Cash Flow Lesson 02: How Are Capital Budgeting Techniques Applied? Lesson 03: Risk and Refinements in Capital Budgeting Summary Assessment</p>

*Delivery mode of each module/topic will be determined by instructor and could differ from one semester to the other.