



KOMAR UNIVERSITY OF SCIENCE AND TECHNOLOGY (KUST)

COURSE SYLLABUS for PRINCIPLES OF FINANCE			
Course Title	PRINCIPLES OF FINANCE		
Course Code	BUS2330	No. of Credits	Three Credit Hours (3 CHs)
Department	All Departments	Collage	College of Business
Pre-requisites Course Code	ACC1300	Co-requisite Course Code	N.A.
Course Instructor	Mustafa Hassan Mohammad, PhD		
Email	mustafa.hassan@komar.edu.iq	IP No.	144
Course Other Teacher(s) /Tutor(s)	None		
Teaching Hours	Sunday: 08:00 am - 09:30 am Tuesday: 08:00 am - 09:30 am		
Contact Hours	Monday: 12:00 pm - 16:00 pm (Office No. 207) Wednesday: 12:00 pm - 16:00 pm Thursday: 12:00 pm - 14:00 pm or by appointment, also you can send an email at any time.		
Course Type	College Requirement		
Offer in Academic Year	Spring 2016		
COURSE DESCRIPTION			
<p>Investment and financing decisions are at the heart of corporate finance. A firm’s financial manager, on one hand, is confronted with the universe of investment opportunities. The manager has to decide which real assets to purchase and projects to undertake, and which ones to forgo. On the other hand, he/she has to decide how to fund such investments, whether to raise cash from lenders or from shareholders, and what the best mix of debt and equity financing is. The concerned person with finance can think of this course having several parts. Hence, the state of finance shows the quality of skills and the degree of success achieved in the performance of financial operations of an enterprise. The performance of business enterprises, in the area of finance, has been the subject of considerable discussion, criticism and controversy. This course introduces the student to the fundamentals of finance. The course requires an understanding of financial mathematics as well as economic concepts and accounting principles. The course is corporate-oriented with emphasis on practical applications and problem solving techniques.</p>			
COURSE OBJECTIVES			
<p>The goal of this introductory course is to provide students with the necessary skills to make such investment and financing decisions. Furthermore, this is the core course in the “micro-finance” area and serves as the basis for all more advanced courses. Therefore, the primary objective is to provide the students with the tools to understand and solve the basic financial problems confronting business today. Therefore, the purpose of this course is to provide a conceptual framework to analyze business financial decisions’ making through the financial statements. All the traditional areas of finance are explored, especially the time value of money, valuation of assets, risk-return trade-off, bond and stock, capital budgeting techniques, capital structure theory and dividend policy assessment, working capital management.</p>			



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COURSE LEARNING OUTCOMES (CLOs):

After studying this course the student should be able to:

- 1) Communicate and discuss the basic types of financial management decisions and the role of the financial manager, and identify the goal of financial management. **(A, B and H)**
- 2) Differentiate between accounting value (or "book" value) and market value. Assess the determinants of a firm's profitability and growth. **(C, E and H)**
- 3) Identify and explain some of the problems and pitfalls in financial statement analysis. **(B, C and G)**
- 4) Determine and apply basic time value of money methodology to general valuation and integrated cash flow applications and calculate the return on investment. **(C, D and H)**
- 5) have a capability of applying the acquired knowledge of the relationship between the expected return & the relevant risk. **(C, E and G)**
- 6) Interpret, and solve the traditional evaluation techniques of working capital management and capital structure, and understand the concept of cost of capital and their applications in the determination of the optimal capital structure. **(C, D and G)**

COURSE CONTENT

- i) An Introduction to Financial Management and the Financial Environment
- ii) Financial Statements, their analysis, Taxes, and Cash Flow
- iii) Introduction to Valuation: The Time Value of Money
- iv) Discounted Cash Flow Valuations
- v) Net Present Value and Other Investment Criteria
- vi) Interest Rates and Bond Valuation
- vii) Equity Markets and Stock Valuation
- viii) Risk and Return
- ix) Cost of Capital
- x) Leverage and Capital Structure
- xi) Working Capital Management

GRADING POLICY

<u>Grades</u>	<u>Letter</u>	<u>GPA</u>	<u>Grades</u>	<u>Letter</u>	<u>GPA</u>
95-100%	A	4.0	70-74%	C	2.0
94-90%	A-	3.7	65-69%	C-	1.7
87-89%	B+	3.3	60-64%	D+	1.3
83-86%	B	3.0	55-59%	D	1.0
80-82%	B-	2.7	50-54%	D-	0.7
75-79%	C+	2.3	0-49%	F	0.0
-	I	Incomplete	-	W	Official withdrawal

Note: Passing Grade is 65% and above

COURSE TEACHING AND LEARNING ACTIVITIES

1. **Lectures:** The lectures provide a broad introduction to each topic and emphasize key concepts.
2. **Case Studies:** the numerous Case Studies are an important learning tool, integrated closely with the theoretical materials presented in each chapter.
3. **Financial Mathematics:** financial mathematics is applicable.
4. **Chapter Summaries:** Every chapter ends with a brief, nontechnical summary of its major lessons. Students can use the summaries to place the material in perspective and to review for exams.
5. **Quick Quizzes:** There are some announced quizzes.
6. **Feedback:** Feedback on student progress will be given throughout the course.
7. **Class participation:** Class participation is encouraged and will enhance your knowledge and your grade.
8. **Examinations:** Examinations (mid-term and final) are all comprehensive in nature.



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COURSE ASSESSMENT Tools		
<u>Assessment Tool</u>	<u>Description</u>	<u>Weight</u>
<u>Participation</u>	Evaluating class participation is necessarily a subjective exercise. If you add to the discussion or ask relevant questions about the material, and problems solving, you will be evaluated accordingly. Any unprofessional or disruptive behavior in class will result in a reduction of this portion of grading.	<u>10%</u>
<u>Homework and Assignments</u>	Homework must be turned in at the specified due date prior to the beginning of class. No late homework or assignments will be accepted.	20%
<u>Quizzes</u>	there are four quizzes, which the students are supposed to appear in.	<u>20%</u>
<u>Mid-Term</u>	One mid-term exam will be conducted (theoretical and problems solving).	<u>20%</u>
<u>Final Exam</u>	The final examination will be comprehensive of all the course materials.	<u>30%</u>
ESSENTIAL READINGS: (Journals, textbooks, website addresses etc.)		
Textbook:	Ross, Stephen A., R. W. Westerfield and Jeffrey Jaffe (2014). <i>Essentials of Corporate Finance</i> . 8 th Ed. McGraw-Hill International Edition.	
Additional Resource:	Ross, Stephen A., R. W. Westerfield, Jordan and Jorg Bley (2013). <i>Corporate Finance</i> . 1 st Middle East Edition McGraw-Hill. Brealey, Richard A., Stewart C. Myers and Allen J. Marcus (2014). <i>Principles of Corporate Finance</i> . 10 th Ed. McGraw-Hill International	
COURSE POLICY (including plagiarism, academic honesty, attendance etc.)		
Attendance Policy	KUST Academic Policy http://sar.komar.edu.iq/files/Student%20hand%20Book%202013.pdf Attendance: <ul style="list-style-type: none"> ❖ Students are expected to attend all lectures and must attend all examinations, quizzes, and practical exercises. ❖ Faculty need not give substitute assignments or examination to students who miss classes without official permission. ❖ Student must arrange with the faculty to make-up the missed class. ❖ Students are subject to the regulation and policies mentioned in the KUST Student Handbook. ❖ KUST guidelines for lateness (check the KUST Student Handbook). 	
GUIDELINES FOR SUCCESS		
The following points may help the students to success: i. Attend all lectures, pay attention, participate during the classes, and keep asking questions. ii. Be prepare for the classes, quizzes, and examinations ahead of time schedule. iii. Need not to memorize everything, instead of that try to understand and enhance your knowledge. iv. Ask for help from your teacher or classmates and don't feel shy for acquire of knowledge and understanding of subject matter. v. Take note during the lecture. NOTE: students are required to bring their notebooks, pens and not to engage themselves with cell-phones.		
REVISION TO THE SYLLABUS		
This syllabus is subject to change, it is the responsibility of the instructor to let the students be informed and aware of such change, if happened, in a timely fashion after the approval of Quality Assurance & Accreditation Office (QAAO) .		



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Week	Beginning/ End Dates	Topics (Chapters)	Course Assessment	CLO
1	February 28 March 01 st	<ul style="list-style-type: none"> Introduction to Principles of Finance: Overview of Financial Management Financial Markets and Financial Institutions 		1 & 2
2	March 06 th March 08 th	<ul style="list-style-type: none"> Valuation: Time Value of Money Future Value 		4 & 5
3	March 13 th March 15 th	<ul style="list-style-type: none"> Valuation: Time Value of Money Discount rate and Present Value 	Homework #1	4 & 5
4	March 27 th March 29 th	<ul style="list-style-type: none"> Valuation: Time Value of Money Net Present Value and Other Investment Criteria 	Quiz # 01	4 & 5
5	April 03 rd April 05 th	<ul style="list-style-type: none"> Fundamental Concepts in Finance: Financial Statements, Cash Flows and Taxes Financial Statements and their Analysis. 	Homework #2	1, 2 & 3
6	April 10 th April 12 th	<ul style="list-style-type: none"> Financial Assets:: Risk and Rate of Return 	Quiz # 02	4 & 5
7	April 17 th April 19 th	<ul style="list-style-type: none"> Financial Assets: Interest rates and Bonds Valuation 		4 & 5
	April 2016	Midterm Exam, No Classes (Schedules to be announced later)	Mid-term	
8	May 01 st May 03 rd	<ul style="list-style-type: none"> Financial Assets: Equity Market and Stock Valuation 	Homework #3	1 & 6
9	May 08 th May 10 th	<ul style="list-style-type: none"> The of Capital Structure: Basic concepts 		1 & 6
10	May 15 th May 17 th	<ul style="list-style-type: none"> The of Capital Structure: Limits to use of debt 	Quiz # 03	1 & 6
11	May 22 nd May 24 th	<ul style="list-style-type: none"> Cost of Capital: Cost of Equity Cost of debt 		5 & 6
12	May 29 th May 30 th	<ul style="list-style-type: none"> Cost of Capital: Weighted Average Cost of Capital (WACC). 	Homework #4	5 & 6
13	June 05 th June 08 th	<ul style="list-style-type: none"> Working Capital: Meaning and Components of Working Capital 	Quiz # 04	1 & 6
14	June 12 th June 14 th	<ul style="list-style-type: none"> Components of Working Capital Working Capital Management 		1 & 6
15	June 19-22	Review		
16	June 2016	Final Exams, No Classes (Schedules to be announced later)		

Prepared by: Mustafa Hassan Mohammad Adam

Signature:

Mustafa Hassan Mohammad Adam, PhD
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College of Business