

Kingdom of Saudi Arabia  
The National Commission for Academic Accreditation & Assessment

COURSE SPECIFICATION

Institution	King Saud University
College/Department	College of Business Administration / Finance Department

A Course Identification and General Information

1. Course title and code:	Principles of Finance (FIN 200)
2. Credit hours	3
3. Program(s) in which the course is offered. (If general elective available in many programs indicate this rather than list programs)	Core requirement for the all programs in the college.
4. Name of faculty member responsible for the course	Dr. Ali Polat (coordinator)
5. Level/year at which this course is offered	Second Year
6. Pre-requisites for this course (if any)	Principles of Financial Accounting (ACC 201)
7. Co-requisites for this course (if any)	N/A
8. Location if not on main campus	Main Campus

## B Objectives

1. Summary of the main learning outcomes for students enrolled in the course.

The objective of this course is to provide students with the essential principles of finance. The main topics covered in this course include: financial environment, financial statements, taxes and cash flow, interest rates and time value of money, financial reports and their analysis, and risk and return.

Students are expected to be able to:

1. understand the basic financial principles
2. analyze financial data
3. pinpoint, analyze, and solve problems
4. work with others in teams
5. perform good research and present findings effectively

2. Briefly describe any plans for developing and improving the course that are being implemented. (eg increased use of IT or web based reference material, changes in content as a result of new research in the field)

In case of any new editions of the related textbook, the new edition will be replaced with the former one as to allow students to benefit from the advanced context, problems and other features of the new textbook.

The presentations will also be updated depending on the new research in this field.

All the related materials will be review on yearly basis and in case of the availability of new materials, techniques and content; these new futures will be added to the curriculum.

C. Course Description (Note: General description in the form to be used for the Bulletin or Handbook should be attached)

The course is required for all undergraduate 1<sup>st</sup> year students in Business Administration College. The course introduces students to the fundamental principles of asset valuation, investment and financing decisions of firms.

1 Topics to be Covered		
List of Topics	No of Weeks	Contact hours
Introduction To Corporate Finance	1.5	4.5

Financial Statements, Taxes And Cash Flow	1.5	4.5
Details And Working With Financial Statements	2	6
Time Value Of Money: An Introduction	1.5	4.5
Discounted Cash Flow Valuation	2.5	7.5
Capital Market History And Some Lessons Learnt	2	6
Return, Risk And The Security Market Line	3	9

2 Course components (total contact hours per semester): 42				
Lecture: 42	Tutorial: 0	Laboratory 0	Practical/Field work/Internship 0	Other: 0

3. Additional private study/learning hours expected for students per week. (This should be an average: for the semester not a specific requirement in each week)

4 hours of additional study as average (Assignment, Exercises, Practise and Revision)

4. Development of Learning Outcomes in Domains of Learning

For each of the domains of learning shown below indicate:

- A brief summary of the knowledge or skill the course is intended to develop;
- A description of the teaching strategies to be used in the course to develop that knowledge or skill;

The methods of student assessment to be used in the course to evaluate learning outcomes in the domain concerned.

a. Knowledge

(i) Description of the knowledge to be acquired

They should know the scope of corporate finance and the responsibilities of the

financial manager. They also should know the different financial management decisions are available. They should understand that there are different forms of business organizations and there is a goal of these organizations. They should understand that for the businesses the agency problem and control of the corporation are some management issues.

They also should know about the balance sheet, income statement, tax and cash flow issues. They should know the differences between the financial statements and also should be able to analyse these statements by using ratio analysis.

Ability to understand the basics of time value of money is a must for this course. Future value and compounding, present value and discounting problems and solutions should be understood. After this, the students should be able to solve problems for future and present values of multiple cash flows, annuities and perpetuities. They should be able to compare the interest rates and should understand the loan types.

As the capital market history of the US will be discussed, it is expected that the students should know the historical background of the capital market and basic ideas like, average return, the variability of returns, capital market efficiency.

The students should understand the expected returns and variances, portfolios and their weights, returns and variance. As it is important to understand CAPM, the students should know announcement, surprise, expected returns, different types of risks (systematic and unsystematic), diversification and portfolio risk, SML.

(ii) Teaching strategies to be used to develop that knowledge

Lectures, distribution of presentation and independent assignments are the teaching strategies to develop the knowledge. Lectures will start with an outline for students to see the whole picture and then will be continued with the details of the subject. When the lecture of the related chapter is finished, the presentation will be distributed so that the students will have a note that they are familiar with. Individual assignments may sometime require to solve some problems related with the course or sometimes may be a research which may require use of library or web search.

(iii) Methods of assessment of knowledge acquired

Assessment will be mainly through exams. Attendance, participation, homework and exams will be the methods of assessment. The main contribution for the assessments will come from the midterm and final exams. The exams are closed book and closed notes. The students should bring writing utensils and a calculator (no laptops) to the exams. There will be no make-up exams or quizzes except as required by university policy, in which case one have to obtain a permission from the dean's office.

10 minutes of quizzes at the end of each chapter will be arranged. Midterm and final

exams will consist of multiple choice questions and some problems for students to answer.

#### b. Cognitive Skills

##### (i) Description of cognitive skills to be developed

The ability to know the main idea of corporate finance. The ability to know the differences between financial statements and the importance of the time value of money.

Being able to solve problems about present value and future value should be known. They also should know the basics of Capital Asset Pricing Model and its related terms and definitions.

##### (ii) Teaching strategies to be used to develop these cognitive skills

##### (iii) Methods of assessment of students cognitive skills

1. Oral and written exams.
2. Quizzes.
3. Discussions.

Researches in related topics.

#### c. Interpersonal Skills and Responsibility

##### (i) Description of the interpersonal skills and capacity to carry responsibility to be developed

Positive Participation and creative thinking

##### (ii) Teaching strategies to be used to develop these skills and abilities

##### (iii) Methods of assessment of students interpersonal skills and capacity to carry responsibility

d. Communication, Information Technology and Numerical Skills
(i) Description of the skills to be developed in this domain.  The ability to express their opinion freely  This course will contribute to student's usage of financial calculators and Microsoft excel in financial terms. As there are calculations on time value of money, their math can improve.
(ii) Teaching strategies to be used to develop these skills  Class discussions
(iii) Methods of assessment of students numerical and communication skills
e. Psychomotor Skills (if applicable)
(i) Description of the psychomotor skills to be developed and the level of performance required
(ii) Teaching strategies to be used to develop these skills
(iii) Methods of assessment of students psychomotor skills

5. Schedule of Assessment Tasks for Students During the Semester			
Assessment	Assessment task (eg. essay, test, group project, examination etc.)	Week due	Proportion of Final Assessment
1	Mid term Exam 1		20%
2	Mid term Exam 2		20%

3	Quizzes		10%
4	Final		40%
5	Attendance, Participation and Homework		10%
6			
7			
8			

#### D. Student Support

1. Arrangements for availability of teaching staff for individual student consultations and academic advice. (include amount of time teaching staff are expected to be available each week)

Instructors are expected to maintain at least six hours a week for office hours to answer any questions the students may have. There are teaching assistants that are available for counselling and advice. There is a time allocation for each TA to be available.

#### E Learning Resources

1. Required Text(s) Corporate Finance Fundamentals, Ross, Westerfield, Jordan, 8 <sup>th</sup> Edition, McGRAW HILL International Edition, 2008.
2. Essential References
3- Recommended Books and Reference Material (Journals, Reports, etc) (Attach List
4- Electronic Materials, Web Sites etc
5- Other learning material such as computer-based programs/CD, professional standards/regulations

#### F. Facilities Required

Indicate requirements for the course including size of classrooms and laboratories (ie number of seats in classrooms and laboratories, extent of computer access etc.)
1. Accommodation (Lecture rooms, laboratories, etc.)

The course will be delivered in smart classrooms to use the presentation and smart classroom benefits.
<p>2. Computing resources</p> <p>The computers to benefit to make a short research during lecture or to show some financial issues to the students are required.</p>
<p>3. Other resources (specify --eg. If specific laboratory equipment is required, list requirements or attach list)</p>

G Course Evaluation and Improvement Processes

<p>1 Strategies for Obtaining Student Feedback on Effectiveness of Teaching</p> <p>Encouraging the students for their feedback during the term. At the end of the term, there is a questionnaire and each student should fill it up and assess the teacher to see his own records.</p> <p>Student's verbal feedback to the instructor or the department chair for the evaluation of the instructor.</p>
<p>2 Other Strategies for Evaluation of Teaching by the Instructor or by the Department</p> <p><i>By Instructor:</i>          Analysis of students performance progress through factor analysis of written periodical exams          Criteria analysis of students performance progress and interpersonal skills</p> <p><i>By the Department:</i>          Peer evaluation of the instructor          Feedback to/from other department committee.</p>
<p>3 Processes for Improvement of Teaching</p> <p>Staff development of areas that are not satisfactory (specially tailored workshops to their needs, mentorship and counselling, self learning and training packages)          Continuous education for new areas that will enhance present performance          Visitors of teaching experts in the field for modelling performance</p>



4. Processes for Verifying Standards of Student Achievement (eg. check marking by an independent member teaching staff of a sample of student work, periodic exchange and remarking of tests or a sample of assignments with staff at another institution)

Revise sample of randomly selected exams.

At the end of each semester a statistical analysis including mod, median, average scores and some more statistics allowing a comparison will be made available by the Department.

Co-evaluation of student performance including course teacher.

5 Describe the planning arrangements for periodically reviewing course effectiveness and planning for improvement.

Reviewing:

- Review and analyze Collective student performance
- Review and analyze Collective summary of student performance of all teaching section of the course yearly
- Acquire feedback regarding planning for improvement of transferable skills and level of retention of required knowledge from faculty teaching courses that demand this course as prerequisite each semester
- Benchmark student performance with other similar program teaching similar course

Planning for improvement:

- Update course syllabus to meet changing students needs in the Saudi community
- Provide or enhance appropriate recourses needed to teach the course
- Provide course instructors with feedback of review results to propose improvement strategies
- Provide course instructors with needed training
- Provide clinical preceptors at the training institutes with review results to propose improvement strategies

Mutual planning of the course