

COURSE SYLLABUS



Corporate Finance

Course code: FIN 304

Semester and year: Fall 2021

Day and time: Wednesdays 11:30-14:15

Instructor: David John Muir, M.Sc. MBA

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Consultation hours: Wednesdays 11:00 – 11:30; 14:15-14:45

Credits US/ECTS	3/6	Level	Advanced
Length	15 weeks	Pre-requisite	ACC 233
Contact hours	42 hours	Course type	Bachelor - required

1. Course Description

This is an introductory course on corporate finance. The course will focus on how corporations structure funds, manage internal finances, and evaluate investment projects. Other topics covered will be the time value of money, valuation of stocks and bonds, capital market theories, the cost of capital and corporate cash management.

2. Student Learning Outcomes

Upon completion of this course, students should be able to:

- Explain the use of financial activity and its critical role in corporate governance;
- Use any one of the decision-making tools (quantitative and qualitative) demonstrated in the course;
- Understand and be able to use cash-flow projections based upon a given set of adequate data;
- Utilize the financial press with comprehension in order to better assimilate 3. the importance of activity in this field;
- Discuss the uses of capital markets and alternate sources of funding;
- Perform most of the functions required both manually, and with a spreadsheet

4. Reading Material Required

Materials

- **Text:** Corporate Finance, 2nd European Edition; Hillier, Ross, Westerfield, Jaffe; McGraw-Hill, 2013.

Recommended Materials

- **Calculators:** Students should come to class with a scientific/financial calculator. Please note that calculators on most mobile phones are not adequate for the functions required. Mobile devices of any type are not permitted however in tests and examinations.
- Brealey, Myers; Principles of Corporate Finance, Concise Ed.; McGraw-Hill, New York, 2009.
- Gitman, Lawrence J.; Principles of Managerial Finance; 11th ed. Pearson International; Boston; 2006

- Students must keep themselves aware of current affairs and events which will affect financial markets

5. Teaching methodology

The course methodology will consist of lectures, readings, and class participation.

Students will be expected to do the readings assigned for each week.

Students are expected to read the topic before coming to class, and to remain current on matters which may affect financial markets.

At the end of the semester, students will be required to give a presentation to the class on a corporate finance topic.

There will be a mid-term and a final exam. For these exams, use of calculators on mobile devices will not be permitted. Students are recommended to acquire a scientific or financial calculator and acquaint themselves with the functions prior to Week 4

6. Course Schedule

Date	Class Agenda
Session 1 Sept 1	Topic: Overview of Corporate Finance Description: Introduction to Corporate Finance – Central Themes Reading: Chapters 1 Assignments/deadline: At least two news items and research importance
Session 2 Sept 8	Topic: Financial Statement Analysis and Cash Flow Description: Examining Financial Statements; Ratios Reading: Chapters 2 Assignments/deadlines: Form groups and choose company to analyse
Session 3 Sept 15	Topic: Case Study – General Motors Description: Analysis of GM Financial Statements over 10 years Reading: Chapter 3 Assignments/deadlines: Research General Motors Management and Finances in Press
Session 4 Sept 22	Topic: Time Value of Money – Lump Sum, Annuities, Bonds Description: Present value of cash flows depending on pattern Reading: Chapter 8 Assignments/deadlines: Prepare a summary of your team project – 10%
Session 5 Sept 29	Topic: Time Value of Money – Irregular cash flows Description: Utilization later in course for Capital Budgeting Reading: Review previous week's PPT Assignments/deadlines: Present summary of your team's project
Session 6 Oct 6	Topic: Ethics Description: An examination of scandals such as Enron, Tyco, Bre-X etc Reading: Handout Assignments/deadlines: Read handout from previous week and choose one scandal to discuss
Session 7 Oct 13	Topic: Mid term Exam Description: Exam based on material to date – 50% Reading: Study for exam
Session 8 Oct 20	Topic: Capital Asset Pricing Model Description: Study of statistics and models to analyse financial results and analyse risk Reading: Chapter 11 Bring calculator

Session 9 Oct 27	Mid-term break
Session 10 Nov 3	Topic: Islamic Finance Description: Understanding alternative financial methods Reading: Handout Assignments/deadlines: Acquaint yourself with Islamic financial institutions
Session 11 Nov 10	Topic: Weighted Average Cost of Capital (WACC) Description: How to determine the investment threshold Reading: Chapter 11 Assignments/deadlines: Update on group projects
Session 12	November 17 - public holiday, NO CLASS
Session 13 Nov 24	Topic: Capital Budgeting Description: How to use WACC, Irregular cash flows and budgeting to make and investment choice Reading: Chapter 6 Assignments/deadlines: Read the Baldwin case and analyse the tables
Session 14 Dec 1	Topic: Project Presentations Description: First groups will present Assignments/deadlines: Be prepared to ask and answer questions
Session 15 Dec 8	Topic: Project Presentations Description: Second Groups will present groups will present Assignments/deadlines: Be prepared to ask and answer questions
Session 16 Dec 15	Topic: Final Exam Description: all material = 50% Calculation, 50% analytical short essays

7. Course Requirements and Assessment (with estimated workloads)

Assignment	Workload (hours)	Weight in Final Grade	Evaluated Course Specific Learning Outcomes	Evaluated Institutional Learning Outcomes*
Class Participation	42	0 %	Attendance is compulsory	1,2,3
Mid term exam	30	30%	Must do readings and homework to keep current with models and concepts	1,2,3
Presentation – With written report	33	30%	Presentation skills, ability to explain the studied topic to peers, identify key issues, subject knowledge,	1,2,3
Final Exam	45	40%	Must demonstrate comprehension of concepts globally applicable to current financial situation	1,2,3
TOTAL	150	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

8. Detailed description of the assignments *Project*:

Assessment breakdown

Assessed area	Percentage
Summary week 4	10
Presentation Selection	20
Analysis	30
Presentation Quality	20
Application of Theory	20

Midterm :

Assessment breakdown

Assessed area	Percentage
Midterm Exam	
Mastery of concepts	40
Ability to express ideas	20
Validity of calculations	40

1. Final Exam :

2. Assessment breakdown

Assessed area	Percentage
Ability to express and apply theory	30
Mastery of mathematical concepts	30
Synthesis of concepts	30
Validity of calculations	10

9. General Requirements and School Policies

General requirements

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules in the Academic Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work.

Electronic communication and submission

The university and instructors shall only use students' university email address for communication, with additional communication via NEO LMS or Microsoft Teams. Students sending e-mail to an instructor shall clearly state the course code and the topic in the subject heading, for example, "COM101-1 Mid-term Exam. Question". All electronic submissions are through NEO LMS. No substantial pieces of writing (especially take-home exams and essays) can be submitted outside of NEO LMS.

Attendance

Attendance, i.e., presence in class in real-time, is required. Students who are absent 35 percent of classes or more cannot complete the course. Those with a majority of unexcused absences will be failed; those with a majority of excused absences will be administratively withdrawn from the course. Students may also be marked absent if they miss a significant part of a class (for example by arriving late or leaving early).

Remote students are expected and strongly encouraged to attend class sessions in real time via MS Teams. However, they can watch recordings of class sessions instead of attending live, and prove their attendance by submitting a brief attendance-proving assignment within 48 hours of the class session.

Absence excuse and make-up options

Should a student be absent from classes for relevant reasons (illness, serious family matters), s/he can submit to the Dean of Students an Absence Excuse Request Form supplemented with documents providing reasons for the absence. These must be submitted within one week of the absence. If possible, it is recommended the instructor be informed of the absence in advance. Should a student be absent during the add/drop period due to a change in registration this will be an excused absence if s/he submits an Absence Excuse Request Form along with the finalized add/drop form.

Students whose absence has been excused by the Dean of Students are entitled to make up assignments and exams provided their nature allows. Assignments missed due to unexcused absences which cannot be made up, may result in a decreased or failing grade as specified in the syllabus.

Students are responsible for contacting their instructor within one week of the date the absence was excused to arrange for make-up options.

Late work: No late submissions will be accepted – please follow the deadlines.

Electronic devices

Electronic devices (e.g. phones, tablets, laptops) may be used only for class-related activities (taking notes, looking up related information, etc.). Any other use will result in the student being marked absent and/or being expelled from the class. No electronic devices may be used during tests or exams unless required by the exam format and the instructor.

Eating is not allowed during classes.

Cheating and disruptive behavior

If a student engages in disruptive conduct unsuitable for a classroom environment, the instructor may require the student to withdraw from the room for the duration of the class and shall report the behavior to the Dean.

Students engaging in behavior which is suggestive of cheating will, at a minimum, be warned. In the case of continued misconduct, the exam or assignment will be failed and the student will be expelled from the exam or class.

Plagiarism and Academic Tutoring Center

Plagiarism is “the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one’s own original work.” (Random House Unabridged Dictionary, 2nd Edition, Random House, New York, 1993) Turnitin’s White Paper ‘The Plagiarism Spectrum’ (available at <http://go.turnitin.com/paper/plagiarism-spectrum>) identifies 10 types of plagiarism ordered from most to least severe:

1. CLONE: An act of submitting another’s work, word-for-word, as one’s own.
2. CTRL-C: A written piece that contains significant portions of text from a single source without alterations.
3. FIND-REPLACE: The act of changing key words and phrases but retaining the essential content of the source in a paper.
4. REMIX: An act of paraphrasing from other sources and making the content fit together seamlessly.
5. RECYCLE: The act of borrowing generously from one’s own previous work without citation; To self-plagiarize.
6. HYBRID: The act of combining perfectly cited sources with copied passages—without citation—in one paper.
7. MASHUP: A paper that represents a mix of copied material from several different sources without proper citation.
8. 404 ERROR: A written piece that includes citations to non-existent or inaccurate information about sources

9. AGGREGATOR: The "Aggregator" includes proper citation, but the paper contains almost no original work.
10. RE-TWEET: This paper includes proper citation, but relies too closely on the text's original wording and/or structure.

At minimum, plagiarism from types 1 through 8 will result in a failing grade for the assignment and shall be reported to the Dean. The Dean may initiate a disciplinary procedure pursuant to the Academic Codex. Allegations of bought papers and intentional or consistent plagiarism always entail disciplinary hearing and may result in expulsion from AAU.

If unsure about technical aspects of writing, students are encouraged to consult with the tutors of the AAU Academic Tutoring Center. For more information and/or to book a tutor, please contact the ATC at: <http://atc.simplybook.me/sheduler/manage/event/1/>.

Course accessibility and inclusion

Students with disabilities are asked to contact the Dean of Students as soon as possible to discuss reasonable accommodations. Academic accommodations are not retroactive. Students who will be absent from course activities due to religious holidays may seek reasonable accommodations by contacting the Dean of Students in writing within the first two weeks of the term. All requests must include specific dates for which the student requests accommodations.

10. Grading Scale

Letter Grade	Percentage*	Description
A	95–100	Excellent performance. The student has shown originality and displayed an exceptional grasp of the material and a deep analytical understanding of the subject.
A–	90–94	
B+	87–89	Good performance. The student has mastered the material, understands the subject well and has shown some originality of thought and/or considerable effort.
B	83–86	
B–	80–82	
C+	77–79	Fair performance. The student has acquired an acceptable understanding of the material and essential subject matter of the course, but has not succeeded in translating this understanding into consistently creative or original work.
C	73–76	
C–	70–72	
D+	65–69	Poor. The student has shown some understanding of the material and subject matter covered during the course. The student's work, however, has not shown enough effort or understanding to allow for a passing grade in School Required Courses. It does qualify as a passing mark for the General College Courses and Electives.
D	60–64	
F	0–59	Fail. The student has not succeeded in mastering the subject matter covered in the course.

* Decimals should be rounded to the nearest whole number.

Prepared by: David John Muir, M.Sc. MBA
Date: June 28 2021

Approved by: Jan Vašenda, Ph.D., Dean of School of Business Administration, August 26 2021