



Course Syllabus
Fall 2023
<Dr. Yaqoub Ahmad Baqer Alabdullah>
FIN 220 – Principles of Financial Management

Lecture Time and Location:

FIN 220/55 : Mondays and Wednesdays 3:30 – 4:45 pm Room # **1001D2**

Contact Information:

Location : Department of Finance & Financial Institutions – CBA – Shudadeya campus
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Phone # : You can call me on MS Teams
Office Hours : Half an hour before class or by appointment.
Website : www.ybaqer.com
MS Teams : Please join our team on MS Teams for materials and much more.

Teaching Assistant: TBA

Course Description:

This is an introductory course that aims to familiarize the student with the basics of financial management, including the objectives, tasks and decisions made by the financial managers in organizations. These tasks include, but are not restricted to, financial markets, time value of money, asset valuation, risk and return, bond and stock valuation, capital budgeting, cost of capital, and capital budgeting.

This is not a “how to” course. This is a “why do” course. By way of analogy, think of the set of plans for a building. Both an architect and a draftsman can read the plans and even copy the plans with minor changes. But an architect can do more than a draftsman can do. When it is time to design a completely new building that responds creatively to the needs of the client and the context of the built and natural environment, you want an architect. I am here to train financial architects—not draftsmen. Please do not expect to learn a cookbook of formulas that you plug numbers into. (Now that we have macros in Excel, no one will pay a salary for that skill.) Expect to learn a few simple, but powerful, intuitions and be able to apply them creatively to a variety of new situations. Finance is such a rapidly changing area that you would be poorly served with a set of rote formulae—such knowledge would be rapidly obsolete.

Course Learning Outcomes:

The learning outcomes for this course, listed below, relate to the learning goals of the College of Business Administration Undergraduate Program, which can be found in the appendix at the end of this syllabus. The numbers in parenthesis indicate to which specific learning goal the outcome relates.

Upon successful completion of the course, students will:



- CLO1. Understand of the field of Finance, financial markets, and financial institutions.
- CLO2. Use financial statements to analyze a firm’s financial performance.
- CLO3. Know and apply time value of money concepts in financial decision-making.
- CLO4. Analyze and solve financial problems.
- CLO5. Understand the concepts and tools used to value bonds and stocks.
- CLO6. Use capital budgeting methods (i.e., NPV, IRR, MIRR, PBP, etc.) to solve financial problems.
- CLO7. Use spreadsheet applications for time value of money concepts.
- CLO8. Understand the ethical problems that may occur in financial decision-making.

CLO Mapping to CBA Skill Based Competency Goals¹

CLO	Competency Goal			
	Analytical	Communication	Information Technology	Business Ethics
1				
2				
3	I			
4	A			
5	I			
6	I			
7			I	
8				I

Type of Emphases:

- **(I) introduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A) apply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R) enforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Required Material:

Textbook : Brigham, Eugene F., and Joel F. Houston. *Fundamentals of Financial Management*. 15th ed. or newer, Mason: South-Western. Print.

Additional Material :

- Brigham, Eugene F., and Joel F. Houston. *Fundamentals of Financial Management: Study Guide*. 15th ed. or newer. Print.

CBA Competency Goals can be found at the end of this document ¹



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- Other material, including course PPT Slides are available on MS Teams.
- Financial Calculator

Course Requirements and Policies:

Expectations: I expect every student to read the chapter before and after the class. I do not expect you to depend on PowerPoint slides for your studying. I expect you to attend each class and participate in discussions. I expect you to always be prepared and to attend the tutorials.

Quizzes: I will give some quizzes throughout the semester, so you should always be prepared.

Exams: There will be two midterm exams and a final exam. The dates of the exams are as follows (subject to change):

Date	Event	Notes
Mon 6-Nov-23	Exam 1 (Ch 1, 2, 4 & 5)	Time and place TBA
Mon 11-Dec-23	Exam 2 (Ch 7,8 & 9)	Time and place TBA
Sun 2-Jan-24	Final (comprehensive)	in a place TBA 11:00am-1:00pm

Attendance and Participation: I will not take attendance each class. However, I will take a note when a student participates in class. You SHOULD NOT stay quiet throughout the class. Participation is graded. You should NOT attend the class just for the sake of attending. I will ask you random questions. When you join a class, you have to be focused.

Cheating and Plagiarism: Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

Grading:

The scores in this course will be the weighted average of the following items:

Weight	Description
50%	Two Midterm exams
40%	Final Exam
10%	Quizzes
10%	Bonuses and Participation
110%	TOTAL



Grade Distribution:

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Course Outline:

Title	Topics
An Overview of Financial Management	What is Finance? • Goals of Financial Management • Types of Business Organizations • Business Ethics and Ethical Behavior • Potential Conflicts and Mitigation
Financial Markets and Institutions	Types and Roles Financial Markets • Types and Roles of Financial Institutions • Types and Operations of Stock Markets • Stock Market Performance • Importance of Market Efficiency
Analysis of Financial Statements <i>(CFA TOPIC)</i>	What is Ratio Analysis? • The Five Groups of Ratios • ROE and DuPont • Benchmarking and Trend Analysis • Uses and Limitations of Ratios
Time Value of Money <i>(CFA TOPIC)</i>	What is Time Value of Money? • Present Value • Future Value • Types of Annuities • Uneven Cash Flow Streams • Types of Interest Rates • Basics of Loan Amortization
Bonds and their Valuation <i>(CFA TOPIC)</i>	Corporate and Government Bonds • How Bond Prices are Determined • Interest Rates and Bond Prices • Changes in Bond Prices Over Time • Yield to Maturity • Yield to Call • Risks of Bonds
Risk and Rates of Return <i>(CFA TOPIC)</i>	Stand-Alone Risk vs. Risk in a Portfolio • Risk and Required Rate of Return • Diversifiable Risk vs. Market Risk • What is CAPM? • Factors Affecting the Required Rate of Return on Stocks
Stocks and their Valuation <i>(CFA TOPIC)</i>	Legal Rights of Stockholders • Stock Price vs. Intrinsic Value • Discounted Dividend Model • Corporate Valuation Model • Preferred Stocks
The Cost of Capital <i>(CFA TOPIC)</i>	Why Use Weighted Average Cost of Capital (WACC)? • Costs of the Different Components of Capital • Calculating WACC • Limitations of WACC
The Basics of Capital Budgeting <i>(CFA TOPIC)</i>	What is Capital Budgeting? • Calculating NPV; IRR; MIRR; Payback • Advantages of NPV • Limitations of each Method



This is the course schedule. It is subject to change

Course Schedule		
Mon	18-Sep-23	Introduction to the course
Wed	20-Sep-23	Chapters 1: An overview of financial management
Mon	25-Sep-23	Chapter 2: Financial markets and institutions
Wed	27-Sep-23	Chapter 4: Analysis of financial statements
Mon	02-Oct-23	Chapter 4: Analysis of financial statements
Wed	04-Oct-23	Chapter 4: Analysis of financial statements
Mon	09-Oct-23	Chapter 5: Time value of money
Wed	11-Oct-23	Chapter 5: Time value of money
Mon	16-Oct-23	Chapter 5: Time value of money
Wed	18-Oct-23	Chapter 5: Time value of money
Mon	23-Oct-23	Chapter 5: Time value of money
Wed	25-Oct-23	Chapter 7: Bonds and their valuation
Mon	30-Oct-23	Chapter 7: Bonds and their valuation
Wed	01-Nov-23	Chapter 7: Bonds and their valuation
Mon	06-Nov-23	Exam 1
Wed	08-Nov-23	Chapter 7: Bonds and their valuation
Mon	13-Nov-23	Chapter 8: Risk and rates of return
Wed	15-Nov-23	Chapter 8: Risk and rates of return
Mon	20-Nov-23	Chapter 8: Risk and rates of return
Wed	22-Nov-23	Chapter 9: Stocks and their valuation
Mon	27-Nov-23	Chapter 9: Stocks and their valuation
Wed	29-Nov-23	Chapter 9: Stocks and their valuation
Mon	04-Dec-23	Chapter 10: The cost of capital
Wed	06-Dec-23	Chapter 10: The cost of capital
Mon	11-Dec-23	Exam 2
Wed	13-Dec-23	Chapter 11: The basics of capital budgeting
Mon	18-Dec-23	Chapter 11: The basics of capital budgeting
Wed	20-Dec-23	Chapter 11: The basics of capital budgeting
Mon	25-Dec-23	Review
Sun	02-Jan-24	Final Exam (11:00am – 1:00pm) place TBA



CBA Competency Goals

1. **Analytical Competency:** A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

Student Learning Objectives:

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

2. **Communication Competency:** A CBA graduate will be able to communicate effectively in a wide variety of business settings.

Student Learning Objectives:

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

3. **Information Technology Competency:** A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

Student Learning Objectives:

- 3.1. Use data-processing tools to analyze or solve business problems.

4. **Ethical Competency:** A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

Student Learning Objectives:

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

5. **General Business Knowledge:** A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

Student Learning Objectives:

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g., finance, accounting, marketing, and management information systems, among others).