



Lincoln University
BA 140 - Fundamentals of Finance
COURSE SYLLABUS
Fall 2019

Instructor:	Dr. Mohamed Tailab
Lecture Schedule	Monday 12:30 pm –3:15 pm
Credit:	3 units (45 hours of lectures)
Level	Introductory (I)
Office Hours:	Monday, 10:30 am – 12:00 pm, 4th Floor, Room 407 (Faculty Office) Wednesday, 3:00pm –4:00 pm, 4th Floor, Room 407 (Faculty Office) E-mail: mtailab@lincolnuca.edu)
Textbooks:	Fundamentals of Corporate Finance (4th Edition) (Berk, DeMarzo & Harford,) 4th Edition ISBN-13: 978-0134475561; ISBN-10: 0134475569
Last Revision:	August 6, 2019
NOTE:	This schedule is subject to change

COURSE DESCRIPTION

Introduction to the financial management of a company. The course includes the study of the financial system, source of funds, different sectors of the economy affecting the business organization and adjustments to changes in capital structure, use of financial statements, planning, and forecasting. (3 units) Prerequisite: MATH 10 or MATH 15

EDUCATIONAL OBJECTIVES

The objectives of the course are to study the finance function of a business firm and to introduce the theoretical framework and analytical tools and techniques of financial management to help make appropriate financial decisions. Students will learn about fundamental issues of business finance and key analytic tools used in the real business world. The main topics covered include, but are not limited to, (1) financial markets and instruments, (2) financial statement and ratio analyses, (3) time value of money, (4) asset valuation and the trade-off between risk and return, (5) cost of capital, cash flow and capital structure, and (5) investment, financing, and dividend policy decisions of the firm.

COURSE LEARNING OUTCOME¹

	Course learning outcomes (CLOs)	Program Learning Outcomes	Institutional Learning Outcomes	Assessment activities
1	Analysis of financial statements for performance evaluation, including ratio analysis.	PLOs 1, 2, 6	ILO 1a, 2a	Assignments, Case studies
2	Application and analysis of concepts, theories, and tools used in financial decision-making.	PLOs 1, 2	ILO 1a, 2a	Assignments, Case studies, Midterm/ Final exams
3	An understanding of time value of money related to security pricing, capital budgeting, and the associated cost of capital and capital structure	PLOs 1, 2	ILO 1a, 2a	Assignments, Case studies Midterm exam
4	Study of various working capital management techniques and dividend policies.	PLOs 1, 2	ILO 1a, 2a	Group case studies, Assignments, and Exams
5	Hands-on experience in the use and application of financial tools.	PLOs 1, 2	ILO 1a, 2a	Assignments, Exams, and Individual case study

CLASSROOM TECHNOLOGY

In this class students will be working to complete a manual practice set versus a computerized practice set by using either Financial Calculator or Laptop Computer with Excel.

- **Kahoot.it:** Kahoot is a website which makes learning awesome and makes problem solving fun. Kahoot brings fun into learning, for any subject, for all ages. Create, play and share learning games for free. Kahoot will be used in this class for quizzes and class evaluation. Students will be allowed to use their smartphones to solve the quiz game every week. <https://kahoot.it>

OTHER MATERIALS

Large notebook, mechanical pencil, eraser, pen, Financial calculator, 3” x 5” index cards, rubber bands, ruler, tab dividers, and quick study guide (Available in the Library). Assignments and projects require students to actively use resources of the library. Detailed guide to business resources of the library as well as the description of Lincoln University approach to information literacy are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

KEYS TO SUCCESS

To have a good preparation for class, I strongly recommend you follow these steps:

1. Before class, read the PowerPoint slides posted on Canvas.
2. Take notes in the class; summarize the main ideas in your index cards.
3. If you are having difficulty, read the specified pages of the textbook and work through the end

¹ Detailed description of learning outcomes and information about the assessment procedure are available at the [Center for Teaching and Learning](http://ctl.lincolnuca.edu) website (ctl.lincolnuca.edu).

of chapter problems and solutions to supplement your understanding of the material.

4. If you are still facing some challenges, stop by my office either during office hours or any time by appointment through e-mail.

GRADING

All activities will be graded according to the points as shown below.

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	F
Points	95-100	90-94	87-89	84-86	80-83	77-79	74-76	70-73	67-69	60-66	0-59
Tentative Weights	Participation					10%					
	Problems and Case studies					20%		Mid-term exam			25%
	Quizzes					10%		Final Exams			35%

CLASSROOM PROTOCOL

Students are expected to arrive on time and be prepared to take quiz and participate. If for some reason you are running late, **do not skip the class**. I prefer that you come late than not at all. If you must leave class early, please tell the instructor before class starts. If you cannot attend the class or other activities such as homework or quizzes for a strong reason, please inform the instructor in advance so that arrangements can be made to complete any missed work after the absence. All communication and electronic devices should be turned off or silent in the classroom (cell phones, music devices, etc.).

HOMEWORK

The homework problems cover all chapters from 1 through 14 in the textbook. Students should work with their study team members to complete the homework. There will be three to five homework problems and one case study per chapter and each team will include among three to five members (Due to the class size), and each team member will complete one homework problem per chapter. The assignments, and the case study will be posted on canvas weekly. Each member is responsible for completing his or her share of the homework. After finishing the homework, students must submit their homework on time. The title page must include a student's name, ID, and what part of the assignment was completed by each group member. To approve the expectation that everyone in the group contributes their fair share of the work, one student from each group will be randomly selected to resolve the assignment on the board. No homework will be accepted after the final due date listed. Students will receive feedback from the instructor in the class, and they will be able to correct answers to master the material.

QUIZZES

Eight (8) lesson quizzes will be given at the very beginning of the class. The primary purpose of these quizzes is to encourage and reward the student's timely progress through the course materials. Each lesson quiz covers only the material for the previous lecture. Each lesson quiz consists of some combination of true/false, multiple choice, and calculated questions. Only the 5 best out of the 8 possible quiz scores will be used in determining a student's final grade. **There will be no makeup quizzes given.**

EXAMS

Two exams [**Written Essay Exams and Closed Book**] will be given throughout the course. Each exam will run for two hours. Please note that the exams will be given from [**12:30 pm –3:15 pm**].

If you need additional time on an exam because of a university-recognized disability, I must be informed directly by the admission office. I will make whatever accommodations are recommended by them. The exams are not comprehensive, and will cover only the materials indicated in the box below. Students are expected to take all exams at the scheduled time in the classroom. If a student is unable to take an exam at the scheduled time due to an emergency or extenuating circumstance, the student can take the exam during the instructor's office hours. **Missing the final exam will result in a failing grade for the course, no matter how much points you have accumulated.**

EXAM PREPARATION

In order to perform well on exams, the students must study as a group. One week before each exam, a sample exam with solutions will be posted on canvas. These sample exams will assist the students in preparing for the exams. Students **MUST** come to the exam with a pencil, eraser, and a simple calculator (cell phones will not be allowed as calculators).

CHEATING AND PLAGIARISM

Cheating is the actual or attempted practice of fraudulent or deceptive acts for the purpose of improving one's grade or obtaining course credit. Acts of cheating include, but are not limited to, the following: (a) plagiarism; (b) copying or attempting to copy from others during an examination or on an assignment; (c) communicating test information with another person during an examination; (d) allowing others to do an assignment or portion of an assignment; (e) using a commercial term paper service. Penalties for cheating and plagiarism range from a 0 or F on an assignment, through an F for the course, to expulsion from the university. Anyone caught cheating or plagiarizing will receive a zero (0) on the exam or assignment, and the instructor may report the incident to the Dean of Students, who may place related documentation in a file. Repeated acts of cheating may result in an F in the course and/or disciplinary action.

ACADEMIC HONESTY

In the advancement of knowledge requires that all students and instructors respect the integrity of one another's work and recognize the important of acknowledging and safeguarding intellectual property. Accordingly, Lincoln expects the highest standards of honesty and integrity from all members of the academic community. As a student, you must know that all forms of cheating, falsification, and plagiarism are against the rules of this course and of Lincoln University. It is your responsibility for asking the instructor for clarification, if you are not sure of what constitutes academic dishonesty are.

DISCUSSION AND PARTICIPATION

Participation includes preparing for class, completing assignments on time, engaging in class discussions and team presentations and homework explanations. Students are expected to be prepared for and participate in each week. You would lose some participation points if you were absent without informing the instructor, and if your behavior in the class obstructs other students to learn by leaving and returning to class while it is in session.

EXTRA HELP

If you find the course material challenging, please see me anytime. So, I can help you by clarifying lecture material. Additionally, do not wait to see me, if you are struggling.

METHODS OF INSTRUCTION

The instructor will conduct the course by giving lectures, facilitating solutions to in-class exercises and conducting discussions to encourage class participation by students. Students must read each chapter before class according to the tentative schedule provided (see below), and they are responsible to ask questions and request clarifications during the class session. The PowerPoint slides are designed to give students a head start in learning course materials, but they are not intended to substitute.

SELF-ASSESSMENT

To evaluate student performance, indirect measures of student learning will be done at the end of the semester by distributing a Self-Assessment Questionnaire (SAQ). Through this self-assessment, students will get a chance to think about their own progress and find ways to change, adapt or improve it. However, as for the instructor, this SAQ will be utilized as a vehicle for giving feedback on learning abilities.

E-MAIL AND CANVAS

E-mail and Canvas are required for this course. E-mail is the best way to contact the instructor. E-mails are generally answered within 24 hours during the week. If you do not hear from me within that time, please contact me again. Students are required to use their university e-mail for correspondence, and are responsible for checking their account daily for correspondence from the lecturer.

WORK ETHICS

Lincoln University instructs and evaluates students on work ethics. These work ethics have been identified and defined as essential for student success: appearance, attendance, attitude, character, communication, cooperation, organizational skills, productivity, respect, and teamwork. So, Lincoln University' students are expected to adhere to the highest standards of these 10 character traits in their behavior as well as their coursework.

RECOMMENDATION LETTERS

Students are eligible to apply for a Board Trustees Scholarship. This scholarship is awarded from funds provided by the University. The instructor gives only two recommendation letters one week before the semester ends. The best candidates should match the work ethics.

EARLY COURSE PERFORMANCE

The instructor uses Early Warning Form to advise students if they are not performing to his stratification for the course. Students who perform poorly on the midterm examination will be the subject of this form. This Form emphasizes that my concern is on learning the material-not just the grade. To be complete, you and the instructor should each sign the form (It is not mandatory). This will help ensure there can be no misunderstanding.

COURSE SCHEDULE

Week	Date	Activities and Assignments
1	8-19	Introduction to the course (Syllabus) Part I: Introduction to Financial Management The Corporations The four Types of Firms Ownership Versus Control of Corporations The stock Market At home: Solving Problems
2	8-26	Introduction to Financial Statements Analysis Firms' Disclosure of Financial Information Types of Financial Statements Other Financial Statement Information Financial Statement Analysis At home: Review the Financial Statements
3	9-9	Arbitrage and Financial Decision Making Valuing Decisions Interest Rates and the Time Value of Money Present Value and the NPV Decision Rule At home: Review: EXAMPLE 3.4, EXAMPLE 3.5
4	9-16	Arbitrage and Financial Decision Making (continued) Arbitrage and the Law of One Price No-Arbitrage and Security Prices At home: Problems
5	9-23	The Time Value of Money The Timeline The Three Rules of Time Travel Valuing a Stream of Cash Flows Calculating the Net Present Value At home: Problems
6	9-30	The Time Value of Money (continued) Perpetuities and Annuities Using an Annuity Spreadsheet or Calculator Non-Annual Cash Flows The Internal Rate of Return At home: Problems
7	10-7	Interest Rates Interest Rate Quotes and Adjustments Application: Discount Rates and Loans The Determinants of Interest Rates Risk and Taxes The Opportunity Cost of Capital At home: Application: Discount Rates and Loans At home: The Determinants of Interest Rates
8	10-14	Midterm Exam: From week 1 till week 7 Requirements: calculator, pencil, eraser, your index card <ul style="list-style-type: none"> ▪ Level of Difficulty is Medium ▪ Written Essay Exam Closed Book

9	10-21	<p><u>Solutions for Midterm</u></p> <p><u>Bonds and Their Valuation</u></p> <p>Bond Cash Flows, Prices, and Yields Dynamic Behavior of Bond Prices The Yield Curve and Bond Arbitrage</p>
10	10-28	<p><u>Stocks and Their Valuation</u></p> <p>The Dividend-Discount Model Applying the Dividend-Discount Model Total Payout and Free Cash Flow Valuation Models Valuation Based on Comparable Firms Information, Competition, and Stock Prices At home: Problems</p>
11	11-4	<p><u>Capital Markets and the Pricing of Risk</u></p> <p>Risk and Return Common Measures of Risk and Return Historical Returns of Stocks and Bonds The Historical Trade-Off Between Risk and Return Common Versus Independent Risk At home: Problems</p>
12	11-18	<p><u>Capital Markets and the Pricing of Risk(continued)</u></p> <p>Diversification in Stock Portfolios Measuring Systematic Risk Beta and the Cost of Capital At home: Problems</p>
13	11-25	<p><u>Capital Structure in a Perfect Market</u></p> <p>Equity Versus Debt Financing Modigliani-Miller I: Leverage, Arbitrage, and Firm Value Modigliani-Miller II: Leverage, Risk, and the Cost of Capital Capital Structure Fallacies Project presentation At home: Fill out the Self-Assessment</p>
14	12-2	<p>Final Exam: From week 9 till week 13</p> <p>Requirements: Simple calculator, panicle, eraser, your index card</p> <ul style="list-style-type: none"> ▪ Level of Difficulty is (Medium and Difficult) ▪ Written Essay Exam ▪ Closed Book