

FIN3121 Principles of Finance

Code

FIN3121

Title

Principles of Finance

Prerequisites

AC 1202, OP 1201

Credits

3

Description

This course is a comprehensive study of the field of finance, covering financial markets, investments, financial theory and techniques relating to financial decisions in business. The course focuses on the tools based approach to present key concept of finance with personal and business related examples. The course will present basics of financial system, time value of money and discounting, financial performance analysis, basics of capital budgeting, stock and bond valuation, and introduction to corporate finance.

Objectives

Master the principles underlying sound financial management. Provide tools for measuring and analyzing the financial performance of a firm. Be able to forecast the amount of funds needed by a business firm. Properly assess the major types of business financing. Properly analyze business investments in a problem-solving format. Introduce students to major bond and stock valuation methods. Develop abilities to read and interpret financial reports, provide basic financial analysis. Familiarize students with Capital budgeting analysis.

Assessment

60 % -first and second assessments

40 % -final assessment

Tentative course outline

Week1

Course syllabus presentation

Week2

Introduction to Principles of Finance and Financial Management

Week3

The Time Value of Money

Week4

Interest rates

Week5

Mid-term No. 1

Week6

Valuing Bonds

Week7

Valuing Stock

Week8

Risk and return

Week9

Mid-term No 2

Week10

Capital Budgeting Decision Models

Week11

Financial Statements

Week12

Cash Flow Estimations

Week13

The cost of capital

Week14

Financial Ratios and Firm’s Performance

