



Philadelphia University
Faculty of Business
Department of Banking & Finance

<u>Course syllabus</u>				
Course title: Corporate Finance		Course code: 0320315		
Course level: Department Requirement		Course prerequisite (s) and/or corequisite (s): Financial Management		
Lecture time:		Credit hours: 3 hours		
<u>Academic Staff Specifics</u>				
Name	Rank	Office #	Office hours	E-mail address

❖ **Course module description:**

This course includes the following topics: financial decisions in corporation, agency problem and corporate governance, stock and bond evaluation, capital budgeting techniques, cost of capital, capital structure, dividend policies and corporate merging and bankruptcy.

❖ **Course module objectives:**

1. To provide overview of the nature of financial decisions in corporation.
2. Identifying the main characteristics of stocks and bonds.
3. Apply bond and stock valuation techniques.
4. Understand long-term financial decisions: capital budgeting techniques, capital structure, and dividend policies.
5. Describe the procedures of merging and liquidating of corporations.

❖ **Course/ module components**

- Dr. Fayiz Hadad (2014). Financial management (4thed.). Amman: Al-Wael Publishing.

❖ **Teaching methods:**

Lectures, discussion groups, tutorials, problem solving, debates, etc.

❖ **Learning outcomes:**

• *Knowledge and understanding*

Upon completion this course, the student is expected to:

1. Understand the nature of financial decisions of corporations.
2. Clarify the characteristics of stocks and bonds.
3. Identify the basics of long-term investment and financing decisions.
4. Understand the mechanisms of integration and liquidation of corporations.

• *Cognitive skills (thinking and analysis).*

Upon completion this course, the student is expected to:

1. Evaluate different types of stocks and bonds.
2. Calculate capital budgeting techniques and interpret of the results.
3. Determine the sources of capital and measure their costs. .
4. Discuss the concept of leverage, and determine the optimal capital structure of the corporation.
5. Evaluate various dividend distribution policies.
6. Discuss the factors affecting the integration and liquidations of the corporations.

• *Communication skills (personal and academic).*

Upon completion this course, the student is expected to:

1. Prepare financial reporting using different financial statements.
2. Analyze and make long-term investment and financing decisions.

• *Practical and subject specific skills (Transferable Skills).*

Upon completion this course, the student is expected to:

1. Work in the environment of corporations and dealing with parties and external parties.
2. Use the skill of critical thinking in suggesting developmental ideas to develop the performance of corporations and propose solutions to the problems that facing this type of firms.

❖ **Assessment instruments:**

- Short reports and/ or presentations, and/ or Short research projects
- Quizzes.
- Homework
- Final examination: 40 marks

<u>Allocation of Marks</u>	
Assessment Instruments	Mark
First examination	20
Second examination	20
Final examination	40
Reports, research projects, class participation, quizzes, homework, Projects	20
Total	100

❖ **Documentation and academic honesty**

- Documentation style (with illustrative examples)
- Protection by copyright
- Avoiding plagiarism.

❖ Course/module academic calendar

Week	Basic and support material to be covered	Homework/ reports and their due dates
1	<ul style="list-style-type: none"> • Distribution of the syllabus 	
2	<p>Overview of financial management in corporation:</p> <ul style="list-style-type: none"> • Financing decision • Investing decision • Agency problem • Corporate governance 	Problems (1,3,9,10)
3	<p>Interest rate structure and bond valuation:</p> <ul style="list-style-type: none"> • Required return • Interest rate structure • Risk premium • Types of bonds • Bond evaluation 	Problems (13,15,19,20)
4	<p>Stock valuation:</p> <ul style="list-style-type: none"> • Common stocks • Preferred stocks • Stock evaluations 	Problems (9,11, 18)
5	<p>Capital budgeting techniques:</p> <ul style="list-style-type: none"> • aspects of capital budgeting • NPV • Discounted NPV • Payback period 	Problems (8 – 9)
6	<ul style="list-style-type: none"> • Discounted payback period • Profitability index • Internal rate of return 	Problems (10 – 13) Quiz 1
7	<p>Cost of capital:</p> <ul style="list-style-type: none"> • Concepts of cost of capital • Source of capital • Cost of long term debt 	First examination Problems (8 – 10)
8	<ul style="list-style-type: none"> • Cost of common stocks • Cost of preferred stocks • Cost of retained earnings. 	First examination
9	<ul style="list-style-type: none"> • Weighted average cost of capital • Marginal cost of capital 	Problems (14 – 16)

10	Capital structure and leverage: <ul style="list-style-type: none"> • Financial and operational leverage • Breakeven analysis • Optimal capital structure • 	Problems (8,12,14,16) Quiz 2
11	<ul style="list-style-type: none"> • Dividend policies: • Dividend fundamentals • The relevance of dividend policies • Factors affecting dividend policies 	Second examination Problems (3 – 7)
12	<ul style="list-style-type: none"> • Types of dividend policies • Other types of dividend policies 	Second examination
13	Merging and acquisition: <ul style="list-style-type: none"> • Aspects of merging and acquisition. • Reasons of merging and acquisition 	Problems (1 – 2)
14	<ul style="list-style-type: none"> • Merging and acquisition process • Holding companies 	Problems (1 – 2)
15	Failure and bankruptcy: <ul style="list-style-type: none"> • Aspects of failure and bankruptcy. • Procedures of addressing failure • Liquidation of corporations. 	Problems (1 – 3)
16	<ul style="list-style-type: none"> • Review • Final Exam 	

❖ **Expected workload:**

On average students need to spend 2 hours of study and preparation for each 50-minute lecture/tutorial.

❖ **Attendance policy:**

Absence from lectures and/or tutorials shall not exceed 15%. Students who exceed the 15% limit without a medical or emergency excuse acceptable to and approved by the Dean of the relevant college/faculty shall not be allowed to take the final examination and shall receive a mark of zero for the course. If the excuse is approved by the Dean, the student shall be considered to have withdrawn from the course.

❖ **Module references**

• **Books**

1. Khan and Ghraibeh, Financial management Jordan book center, 2001
2. Essential of managerial finance “thirteenth edition, by: Scott Besley, Eugene F.Brigham 2005

• **Journals**

1. Journal of finance
2. Journal of business & economics

- **Websites**

1. <http://finance.yahoo.com>
2. <http://www.stockresearch.com>