



**Lincoln University**  
**BA 140 - Fundamentals of Finance**  
**COURSE SYLLABUS**  
**Summer 2021**

<b>Instructor:</b>	Dr. Mohamed Tailab
<b>Lecture Schedule</b>	Tuesday, 9:00 am – 11:45 am Thursday, 9:00 am – 11:45 am
<b>Credit:</b>	3 units (45 hours of lectures)
<b>Level:</b>	Introductory (I)
<b>Office Hours:</b>	Tuesday, 12:00 pm – 2:30 pm, 4th Floor, Room 407 (Faculty Office) Thursday, 2:00 pm – 2:30 pm, 4th Floor, Room 407 (Faculty Office) <b>E-mail:</b> <a href="mailto:mtailab@lincolnuca.edu">mtailab@lincolnuca.edu</a>
<b>Textbooks:</b>	Fundamentals of Corporate Finance (4th Edition) (Berk, DeMarzo & Harford,) 4th Edition ISBN-13: 978-0134475561; ISBN-10: 0134475569
<b>Last Revision:</b>	May 22, 2021
<b>NOTE:</b>	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 OUTCOME**

	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 1b, 2b	Assignments, Case studies
2	Application and analysis of concepts, theories, and tools used in financial decision-making.	PLOs 1, 2	ILO 1b, 2b	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 1b, 2b	Assignments, Case studies Midterm exam
4	Study of various working capital management techniques and dividend policies.	PLOs 1, 2	ILO 1b, 2b	Group case studies, Assignments, and Exams
5	Hands-on experience in the use and application of financial tools.	PLOs 1, 2	ILO 1b, 2b	Assignments, Exams, and Individual case study
Detailed description of learning outcomes and information about the assessment procedure are available at the <a href="http://ctl.lincolnuca.edu">Center for Teaching and Learning</a> website (ctl.lincolnuca.edu).				

**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.

**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 class; summarize the main ideas in your notebook.
3. If you are having difficulty, read the specified pages of the textbook and work through the end of chapter problems and solutions to supplement your understanding of the material.
4. If you are still facing some challenges, contact me 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%		Quizzes			10%
	Problems and Case studies					20%		Final Exams			60%

## **CLASSROOM PROTOCOL**

Students are expected to attend each class session. If you cannot attend class, please inform the instructor in advance so that arrangements can be made to complete any missed work after the absence.

## **HOMEWORK**

The assignments will be posted on canvas every Friday. Students will receive feedback from the instructor in the beginning of each Tuesday.

## **QUIZZES**

**One** lesson quiz will be given on the fifth week of the course. The lesson quiz consists of some combination of true/false, multiple-choice, and calculated questions. **There will be no makeup quiz given.**

## **EXAMS**

One final exam will be given throughout the course. The exam will run for two hours. Please note that the exams will be given from **[9:00 AM-11:45 AM]**. If you need additional time on the 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 exam is a comprehensive and will cover the materials indicated in the box below. If a student is unable to take the exam at the scheduled time due to an emergency or extenuating circumstance, the student can take the exam during the instructor's office hours.

## **EXAM PREPARATION**

In order to perform well on the exam, the students must study as a group. Three days before the exam, a sample exam with solutions will be posted on canvas. This sample exam will assist the students in preparing for the exam.

## **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, the University 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 the

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. Students are expected to be prepared for and participate in each day.

### EXTRA HELP

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

### 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. If you do not hear from me within that time, please contact me again.

### WORK ETHICS

The instructor 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, you are expected to adhere to the highest standards of these 10-character traits in your behavior as well as your coursework.

### COURSE SCHEDULE

Week	Date	Activities and Assignments	Chapter
Week 1	T	Introduction to the course (Syllabus) <b><u>Corporate Finance and the Financial Manager</u></b> The Corporations The four Types of Firms Ownership Versus Control of Corporations The stock Market	Ch.1
	Th	<b><u>Introduction to Financial Statements Analysis</u></b> Firms' Disclosure of Financial Information Types of Financial Statements Other Financial Statement Information Financial Statement Analysis	Ch.2

Week 2	T	<p align="center"><b><u>Time value of Money: An Introduction</u></b></p> Cost-benefit Analysis Market prices and the valuation Principles The value of Money and the Interest rate	Ch.3
	Th	<p align="center"><b><u>The Time Value of Money</u></b></p> The Timeline The Three Rules of Time Travel Valuing a Stream of Cash Flows Calculating the Net Present Value	Ch.4
Week 3	T	<p align="center"><b><u>Interest Rates</u></b></p> Interest Rate Quotes and Adjustments Application: Discount Rates and Loans The Determinants of Interest Rates Risk and Taxes The Opportunity Cost of Capital <b>At home: Solving Problems</b>	Ch.5
	Th	<p align="center"><b><u>Bonds and Their Valuation</u></b></p> Bond Cash Flows, Prices, and Yields Dynamic Behavior of Bond Prices The Yield Curve and Bond Arbitrage	Ch.6
Week 4	T	<p align="center"><b><u>Stocks and Their Valuation</u></b></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	Ch.7
	Th	<p align="center"><b><u>Investment Decision Rules</u></b></p> The NPV Decision Rule Alternative Decision Rules Choosing between projects	Ch.8
Week 5	T	<p align="center"><b><u>Fundamentals of Capital Budgeting</u></b></p> The Capital Budgeting process Forecasting Incremental earnings Determining Incremental Free Cash Flow	Ch.9
	Th	<p>Quiz (Two questions -20 points: From 9:00 am – 9:40 am).            Subject of the quiz is (The time value of money and bonds and their valuation). Level of Difficulty is Easy and Medium.</p> <p align="center"><b><u>Stock Valuation: A Second Look</u></b></p> The Discounted Free Cash Flow Model Valuation Based on Comparable Firms Stock valuation Techniques Information; Competition, and Stock prices <b>At home: Problems</b>	Ch.10

Week 6	T	<p style="text-align: center;"><b><u>Capital Markets: Risk and Return</u></b></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	Ch.11
	Th	<p style="text-align: center;"><b><u>Systematic Risk and the Equity, Risk Premium</u></b></p> The Expected Return of a Portfolios The volatility of a Portfolio Measuring Systematic Risk	Ch.12
Week 7	T	<p style="text-align: center;"><b><u>The Cost of Capital</u></b></p> A First Look at the Weighted Average Cost of capital (WACC) The Firm's Cost of debt and Equity A second Look at the WACC Using WACC to Value a Project	Ch.13
	Th	<p style="text-align: center;"><b><u>Final Exam: Closed Book</u></b></p> <b>Requirements:</b> Simple calculator, panicle, eraser, your index card <ul style="list-style-type: none"> <li>▪ Level of Difficulty is (Medium and Difficult)</li> <li>▪ Written Essay Exam</li> </ul>	

### About the instructor

**Mohamed Tailab** is an Assistant Professor of Business Administration, Finance, and Accounting at Lincoln University. He received both his BS and MS (Accounting) from Al-Jabal Al-Gharbi University (Libya), and his DBA (Business Administration: Finance and Investment) from Lincoln University. Prior to coming to Lincoln University, Tailab was a lecturer in the Accounting Department at Al-Jabal Al-Gharbi University (Libya). He has accumulated more than fifteen years of experience in academia where he taught various undergraduate and graduate business classes, as well as he performed a lot of work using a software program called the Global Business Simulation (GLO-BUS), which is an automated, online program that simulates the operation of a company. His students earned (Top five) ranking within the top 100 worldwide for GLO-BUS performance.

Tailab's work focuses mostly upon the corporate disclosures (mandatory, voluntary) by combining machine learning and applied linguistics to model the ability of textual information content in annual firms reports to predict the market reaction. His research goal is to help shareholders be aware if CEOs and management writers use language to manipulate them. Also, he is working on the application of partial least squares structural equation modeling (PLS-SEM) in business research. During his academic journey, Tailab has authored and co-authored three textbooks and various research papers in peer-refereed local and international academic journals and participated in diversity conferences.