



## American University of Ras Al Khaimah

### AURAK Syllabus

#### Course & Instructor Information

**Course Title:** Principles of Business Finance

**Course Code:** FNAN 300

**Credit Hours:** 3.0

**Prerequisite course(s) and/or co-requisite courses, if applicable:** ACCT 204

#### Course Description:

This course teaches students the fundamental principles of finance. It covers the financial decisions that financial managers should make to maximize shareholders' wealth or a firm's value. These financial decisions include investment decisions, financing decisions, dividend decisions and working capital decisions. Students are taught how to apply financial theories to real life financial situations, financial ratio analysis, time value of money, stock valuation, bond valuation, capital budgeting and risk and return. It also discusses the difference between profit maximization and shareholders' wealth maximization. There is a general saying in finance that "If you can't measure it, you can't control it". Therefore, the course entails calculations and arriving at conclusions that help financial managers make financial decisions and measure financial performance.

#### Additional Information about the course:

#### Teaching and Learning methodologies

This course will be delivered as two 75-minute sessions per week. The course aims to familiarize students with the theoretical foundations of the principles and concepts of finance. All of the information and resources required for this course, including PowerPoint lecture slides, practice questions and solutions, and other supplementary reading materials will be posted on the Blackboard. Students are expected to spend at least ten hours per week on this Course (including the three lecture hours per week). This time should be made up of reading, doing assignments, and working on exercises. In periods where you need to prepare for tests, the workload may be greater than usual.

### Course Textbooks and Materials:

Essentials of Corporate Finance 11th Edition by [Stephen Ross](#), [Randolph Westerfield](#), [Bradford Jordan](#) (2022)

### Other Resources:

- Brigham, E. F., and Houston, J. F. (2019). Fundamentals of Financial Management, 15th edition, Cengage

### Web Resources:

- Arabian Business <https://www.arabianbusiness.com/gcc/uae>
- Dubai Financial Markets <https://www.dfm.ae/>
- Abu Dhabi Securities Exchange <https://www.adx.ae/English/Pages/default.aspx>

### Course Learning Outcomes (CLOs)

<b>Course Learning Outcomes</b> <b>At the end of this course, students should be able to:</b>	
CLO 1	Discuss the use of investment, financing and dividend financial decisions in maximizing firm value.
CLO 2	Explain the cost of capital and risk-return tradeoff relating to the use of debt and equity as sources of capital to maximize firm value.
CLO 3	Describe the use of cash flows, time value of money and net present value (NPV) in valuing financial investment decisions in maximizing firm value.
CLO 4	Discuss the financial techniques that financial managers use to value bonds and equity to maximize firm value.
CLO 5	Explain key financial information found in financial statements that financial managers and investors use to make financial decisions in maximizing shareholders' wealth.

## **Program Learning Outcomes (PLOs) and Mapping Course to Program Outcomes**

Please see the APPENDIX for the Course to Program Learning Outcomes Mapping.

## Assessment Activities

The dates for quizzes, exams, and submission of assignments are specified in the schedule. You will be graded in this class based on the number of points you earn for quizzes, exams written assignments, or other activities, including your class participation. Keep track of your scores in Blackboard.

Assessment Activities and Grading Weight	Quiz 25%	Mid Term Exam 25%	Assignment 25%	Final Exam 25%
CLO 1	X	X		X
CLO 2	X	X		X
CLO 3		X		X
CLO 4			X	X
CLO 5				X
Instructor Feedback on Assessments	Instructor will be providing sufficient timely written (or recorded) feedback on student work within 72 hours on completion of this assessment to enable students to improve their knowledge, skills, and abilities	Instructor will be providing sufficient timely written (or recorded) feedback on student work within 72 hours on completion of this assessment to enable students to improve their knowledge, skills, and abilities	Instructor will be providing sufficient timely written (or recorded) feedback on student work within 1 to 2 weeks of completion of this assessment to enable students to improve their knowledge, skills, and abilities	Instructor will be providing sufficient timely written (or recorded) feedback on student work within 48 hours of completion of this assessment to enable students to improve their knowledge, skills, and abilities

**Quiz 25%:** The quiz will include chapters covered in the first 4 weeks of the semester. It will comprise twenty-five (25) Multiple Choice Questions (MCQ) of one (1) mark each. The exam aims to assess students' conceptual, quantitative, and analytical skills.

**Midterm 25%:** The midterm exam will include chapters covered through the first half of the course. It will comprise of five questions worth 25 marks. The exam aims to assess students' conceptual, quantitative, and analytical skills.

The midterm exam will be closed book exam, and it will be conducted in the classroom.

**Assignment 25%:** One take-home assignment on computing of cost capital and valuation of company stocks and the valuation of stocks and discussing the features of stock investments will be given to students to ensure that CLO 4 is met in the future.

To ensure higher standards of academic integrity, the assignment will be submitted through Blackboard using SafeAssign to assess the originality of students' submissions.

**Final Exam 25%:** The final exam will cover all CLOs in the course. It aims at assessing students' critical and analytical skills. The exam will include five questions that focus on both quantitative and conceptual issues. The final exam will be closed book exam, and it will be conducted in the classroom

### Assessment Rubrics:

The assessment instruments with the answer key, marking scheme/ assessment rubric will be included for all assessment instruments for this course in the Course File and uploaded on the Course File Component of the IDAP system.

**Previous Recommendation:** Short scenario-based activities will be done with students to explain the cost of capital and risk-return tradeoff relating to the use of debt and equity as sources of capital to maximize firm value across the course. In-class problem solving sessions on cash flows, time value of money and net present value (NPV) will be conducted with students to improve their ability to describe the use of cash flows, time value of money and net present value (NPV) in valuing financial investment decisions in maximizing firm value. One home take assignment on analyzing capital budgeting decisions and its role in maximizing firm value to improve the student's ability to discuss the financial techniques that financial managers use to value bonds and equity to maximize firm value. An in-class activity that focuses on analyzing real financial data and discussing the features of capital budget investment decisions will be done with students to improve their ability to explain key financial information found in financial statements that financial managers and investors use to make financial decisions in maximizing shareholders' wealth.

### Grading Scale

The grading system and scale for AURAK, as established by the Board of Trustees, is as follows:

AURAK Grading System and Scale		
Grade	Percentage Scores	Grade Points
A	95-100	4.00
A-	90-94	3.70
B+	86-89	3.30
B	83-85	3.00
B-	80-82	2.70
C+	76-79	2.30
C	73-75	2.00

C-	70-72	1.70
D+	66-69	1.30
D	60-65	1.00
F	0-59	0.00

An "S" grade reflects satisfactory, or passing, work in a course (i.e., equivalent to grade of C or higher for graduate students. A "U" grade reflects unsatisfactory, or failing, work in a course. S/U will have no effect on the GPA.

## Weekly Course Information

<b>Schedule of Course Topics, Required Reading, and Assignments and Assessments</b> (Including scheduling of laboratory, studio, external visit, and other non-classroom meeting sessions, as appropriate)				
Week	Topic	Required Readings	Assignment, Assessment (with grade weighting) & Due Date	Mapping of CLOs to Assessments
1	An overview of Financial Management	Chapter 1		1, 2
2	Analysis of Financial Statements	Chapter 4		1, 2, 3
3	Time Value of Money	Chapter 5		2
4	<b>Quiz 1</b>	Chapter 6	<b>Quiz 25%</b>	1,2
5	Bonds and their valuation	Chapter 7		2
6	Risk and Rates of Return	Chapter 6		1, 3
7	Stocks and their valuation	Chapter 9		3
8	Midterm Exam - Will include all topics covered since beginning of semester	Chapter	<b>Mid Term 25%</b>	1, 2, 3
9	The Cost of Capital	Chapter 10		3

10	The Basics of Capital Budgeting	Chapter 11		3
11	Capital Structure and Leverage	Chapter		3, 4
12	Distributions to shareholders Dividends.	<b>Assignment Due 25%</b>  <b>Assignment covers calculation of cost capital, computation of PV of the bond and valuation of stocks and discussing the features of stock investments to ensure that CLO 4 is met in the future.</b>		
13	Working Capital Management	Chapter 16		4
14	Financial Planning and Forecasting	Chapter 17		4, 5
15	Revision			1, 2, 3, 4, 5
16	<b>Final Exam</b>		<b>Final Exam 25%</b>	1, 2, 3, 4, 5

The course syllabus will be contextualized for UAE content wherever necessary.

### **Attendance Policy**

**Regular student attendance and class participation are essential for students to meet course expectations and to succeed in their studies. The following are benefits associated with attending classes:**

- Opportunity to participate in active learning
- Opportunity to demonstrate preparation for class
- Opportunity to engage with the faculty member teaching the course, classmates, and the course material.

## The following are requirements of the university's attendance policy:

- Students must provide a satisfactory reason for being absent from class, to the course instructor and the Student Life Department, in advance of missing a class.
- Students must observe protocols for online course attendance (e.g., having camera turned on).
- Students must arrive on time for class and must not depart early from the class. Persistent late arrival at, or early departure from, class meetings may result in being counted as absent from class.

If students fail to attend 20% of the scheduled classes for the semester *without a valid excuse*, they will be withdrawn from the course with a grade of either W or F depending on when the 20% unexcused absence level is reached.

The total number of *unexcused and excused absences* cannot exceed 30% of the class meetings for the course, with unexcused absences not exceeding 20%. Students who miss more than 30% of the scheduled classes will be withdrawn from the course with a grade of either W or F depending on when the 30% absence level is reached.

Please refer to the Student Handbook for details.

### Accommodations for Students of Determination

Students of determination may find they require additional support, services, or considerations. AURAK will endeavor to support students of determination of those with special needs where resources are available. Accommodations will be provided, for students with verified needs, allowing equal access to educational facilities, programs, services, and activities at AURAK. Accommodations are never applied retroactively – only students who have previously requested and have been approved for supporting accommodations can have them apply to a given academic semester/course. Students needing support must make the request from the Office of Support Services located in Building D.

### Other Relevant Policies

#### A. Academic Integrity

The Honor Code

The American University of Ras Al Khaimah strongly supports the concept of academic integrity and expects students and all other members of the AURAK community to be honest in all academic endeavors. The AURAK Honor Code can be found in the AURAK Student Handbook.

The role of the Honor Code and associated Academic Integrity Policy is to protect the academic integrity of the university, encourage consistent ethical behavior among students, and foster a climate of honorable academic achievement. The Honor Code is an integral part of university life and students are responsible, therefore, for understanding and abiding by the code's provisions. While a student's commitment to honesty and personal integrity is assumed and expected, this Code and associated policy and procedures provides clarity of expectations.

### Expectations

Cheating, plagiarism, and all other forms of academic fraud are unacceptable; they are serious violations of university policy. AURAK expects all students to be familiar with university policies on academic integrity. The university will not accept a claim of ignorance – either of the policy itself or of what constitutes academic fraud – as a valid defense against such a charge.

### Violations of Academic Integrity

Violations of academic integrity constitute academic fraud. Academic fraud consists of any actions that serves to undermine the integrity of the academic process or that gives the student an unfair advantage, including:

- Inspecting, duplicating or distributing test materials without authorization.
- Cheating, attempting to cheat, or assisting others to cheat – relevant here is the prohibition on being in possession of a mobile telephone or similar electronic device during a test or examination. In case such devices are found with a student, the student will be deemed to have attempted to cheat and will be subject to disciplinary action under the Student Academic Integrity Policy.
- Altering work after it has been submitted for a grade.
- Plagiarizing.
- Using or attempting to use anything that constitutes unauthorized assistance. **PLEASE NOTE:** Faculty members may prohibit the use of generative AI, including though not limited to, generative AI such as Open AI ChatGPT and Canva, in completing assignments. When such prohibitions have been communicated by

the faculty member, incorporating information from such sources into your assignment submission will be treated as a serious violation of academic integrity expectations.

- Fabricating, falsifying, distorting, or inventing any information, documentation, or citation.

### Plagiarism

One of the most common violations of academic integrity is plagiarism. Plagiarism can be intentional or unintentional. However, since each student is responsible for knowing what constitutes plagiarism, unintentional plagiarism is as unacceptable as intentional plagiarism and thus will bring the same penalties.

Plagiarism – submitting the work of others as one's own - is a serious offense. This includes submitting work obtained from AI writers such as Open AI Chat GPT, as well as other forms of generative AI. In the academic world, plagiarism is theft. Information from sources – whether quoted, paraphrased, or summarized – must be given credit through specific citations. When a student paraphrases a work, it is still necessary to cite the original source, even when the information has been provided by generative AI writers and/or sources. Merely rearranging a sentence or changing a few words is not sufficient. The citation style should be appropriate for the discipline and should clearly indicate the beginning and ending of the referenced material. All sources used in the preparation of an academic paper must also be listed with full bibliographic details at the end of the paper, as appropriate in the discipline. **PLEASE NOTE:** Faculty members may prohibit the use of generative AI in completing assignments. When such prohibitions have been communicated by the faculty member, incorporating information from such sources into your assignment submission will be treated as a serious violation of academic integrity expectations.

While plagiarism detection software can assist identifying plagiarism, there is no “percentage of matching content” threshold for determining that content in a written assignment has been plagiarized. Indeed, the presentation of a single striking phrase originally written by another without attribution to the original source can constitute plagiarism, even though the percentage of matching content found by plagiarism-checking software might be very small.

### Faculty and Student Expectations

- Every student, faculty member, and administrator is responsible for upholding the highest standards of academic integrity. Every member of the AURAK community shall honor the spirit of this policy by refusing to tolerate academic fraud.
- It is the responsibility of the instructor to provide students with additional guidelines for what constitutes “authorized” and “unauthorized” assistance.

- It is the responsibility of every student to see clarification if in doubt about what constitutes “authorized” and “unauthorized” assistance. In cases involving collaborative work, all students within the collaborative group may be help responsible for violating the code if any member of the group receives, accepts, or utilizes "unauthorized" assistance.
- Students are required to obtain permission prior to submitting work, any part of which was previously or will be submitted in another course. The instructor has the option of accepting, rejecting, or requiring modification of the content of previously or simultaneously submitted work.

A student who suspects that a violation of academic integrity has occurred should report the violation to the dean or to the Office of the Provost. In this report, the student should describe any action taken, such as talking with the person involved or with a faculty or staff member. Every effort will be made to preserve the anonymity of the student reporting the incident;

Possible penalties for academic fraud include: Formal warning, Reduction in grade for the assignment, Reduction in the grade for the course, A failing grade for the assignment, A failing grade (F) in the course, and/or Dismissal or Expulsion from the University.

Please refer to the relevant section in the *Student Handbook* and ensure a clear understanding of the provisions of the University Honor Code and the Student Academic Integrity Policy.

### **B. Concerns about grades or other course matters.**

Students are responsible for their learning experiences. If you are concerned about a class matter, first discuss it with the instructor. If the matter is not resolved, the next step is to meet with the Chair of the department in which the course is taught. If you still have a concern, meet with the Dean of the school in which the course is taught. The matter is likely to be resolved before it reaches that point, but if it is not, then visit the Associate Provost for Academic Affairs. Students who decide to “jump to the top” will be referred “back” to the appropriate next step.

### **C. Assignments**

University policy is that assignments are due on the date indicated when the assignment is made. Instructors may refuse to accept late assignments or lower the grade that would be otherwise given.

### **D. Mobile Phones**

All mobile phones and other communication devices should be turned off before entering the classroom. Students may NOT have mobile telephone or other electronic devices in their possession while completing examinations. Any violation will be deemed as having attempted to cheat.

### **E. Diversity and the Use of English**

English is the common language of the AURAK campus for everyone. It is the only language to be used in the classroom. AURAK brings together students and faculty from diverse cultural and linguistic backgrounds, which is one of the strengths of the university. This diversity provides an opportunity to share our different experiences and enlarge our understanding of the world.

## APPENDIX

### Program Learning Outcomes (PLOs) : BS In Business Administration

<b>Program Learning Outcomes</b> <b>At the completion of the program, students should be able to:</b>	
PLO 1	1: Critically expand on the basic principles of economics, accounting, finance, management, information systems, marketing and operations in the context of a global economy.
PLO 2	2: Apply concepts and theories of ethics and social responsibility to practical business dilemmas, recognizing the implications of management decisions for the interests of key internal and external stakeholders.
PLO 3	3: Demonstrate competency in presentation and writing skills using the latest business communication tools.
PLO 4	4: Effectively work in teams and take the lead in team initiatives.
PLO 5	5: Engage in critical self-analysis and professional reflection about potential roles in a business context.
PLO 6	6: Evaluate business situations and critique managerial decisions, using financial statements, statistical tools, and other appropriate methods to organize, analyze and present data.
PLO 7	FMLO 1: Assess the salience to specific decision scenarios of the structures and regulatory frameworks encompassing financial institutions and markets.
PLO 8	FMLO 2: Evaluate, aggregate and synthesize knowledge relating to financial operations from diverse sources for the benefit of the organization.
PLO 9	FMLO 3: Formulate and craft effective solutions to finance-related business problems, based on sound application of underlying financial principles.

### Mapping Course to Program Learning Outcomes : BS In Business Administration

<b>The learning outcomes of this course contribute to meeting one or more of the program learning outcomes as shown below, with the contribution designated as “high”, “medium”, or “low”:</b>									
	PLO 1	PLO 2	PLO 3	PLO 4	PLO 5	PLO 6	PLO 7	PLO 8	PLO 9
CLO 1	<i>high</i>			<i>medium</i>			<i>high</i>		
CLO 2	<i>high</i>			<i>medium</i>			<i>high</i>		
CLO 3		<i>high</i>			<i>medium</i>			<i>medium</i>	

<b>CLO 4</b>		<i>high</i>				<i>medium</i>		<i>medium</i>	<i>medium</i>
<b>CLO 5</b>			<i>high</i>			<i>medium</i>			<i>medium</i>