

The Hashemite University				
Faculty of Economics and Business Administrative				
Offering Department	Financial Economics			
Module title / number	Financial Economics (1) / 1802012201			
Instructor Office location: – 3rd floor -Economic Faculty Phone: 00962-53903333 – Ext. E-mail:.....@hu.edu.jo E-mail :.....@hu.edu.jo Office hours:-----			
Pre-requisite	1802051105 & 1802051106			
Course description	This is an introductory course and as such, provides instruction on key concepts you will use throughout your education and business career. Some of the topics we will cover during this course are vital in the world of corporate or “business” finance. This course will introduce you to the very basic but important concepts in corporate finance. It critically examines the theoretical and practical implications of the basic principles of the investment and financing decisions undertaken by the financial manager, where the value of the firm is always maximized. It then attempts to discuss in- depth key issues in which investment and financing decisions interact and cannot be made separately.			
Intended learning outcomes (ILOs)				
Upon the completion of this module , students should be able to achieve the following:				
1- knowledge and understanding				
	A1) Net present value calculations and the complete analysis why this method is considered to be the best decision criterion. Also, students will learn to compute payback A2) Making Capital Investment Decisions: Topics include: understand how to determine the relevant cash flows for various types of proposed investments, incremental Cash Flows. A3) understand Risk , Return, and the Security Market Line, Topics include: understanding diversification and portfolio risk, systematic risk and beta, the security market line (SML), finally the SML and the cost of capital A4) analyzing Cost of Capital, Topics include: know how to determine a firm’s cost of equity capital, and a firm’s cost of debt. A5) understand the ways in which firms actually raise capital.			
2- Analytical and thinking skills				
	<i>Students should have the ability to</i> B1) Present written and/or oral reports using critical thinking, finance data, financial economic theory. B2) Perform mathematics, and statistical knowledge and its application on investment decision. B3) Comprehend and communicate data presented graphically and/or mathematically. B4) The ability to relate mathematical and statistical models to their assumptions and to the real world.			
Teaching and learning methods				
	- There will be 3 hours lectures per week. Although the lectures cover the vast majority of the module material, students must make use of the textbooks extensively especially the empirical cases presented in the book.			
Assessment methods				
Students will be assessed based on the following:				
Exam	Day/Date	Time	Place	Weight
First exam	25/6/2018	TBA		25%
Second Exam	12/7/2018	TBA		25%
Class Activities	Every lecture			10%
Final Exam	To be assigned by the registrar office	TBA		40%
Academic Honesty				
	All the assignments and work submitted by the student should be his or her own. All actions of			

	academic dishonesty including cheating, plagiarism or helping other students in such actions will be dealt with strictly according to the university regulations.
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Main textbook(s) and additional readings

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Online Resources

Hashemite University's Model e-learning system. Here you can find the power point slides presentation and others. You will need a username and password to be able to view the course materials. Username: 204201, Password: 204201

Detailed lecture schedule

	Week:	Material:	Needed Duration	Assignment
	Week 1+2	Ch (9):Net present value and other investment criteria	6 hours	Q3,Q7,Q8,Q16 p 293-295
	Week 3+4	Ch (10): Making Capital investment decisions	6 hours	Q4,Q5 p328
	Week 5+6	Ch (11): Project analysis and evaluation	6 hours	Q10,Q14 p361
	Week 7	First exam		
	Week 8+9	Ch (13): Return, Risk, and security market line	6 hours	Q7,Q11 p 432- 433
	Week 10+11	Ch (14): Cost of capital	6 hours	Q3,Q9 p 465
	Week 12	Second exam		
	Week 13 +14	Ch (15):Raising Capital	6 hours	
	Week15+16	Ch (16):Financial leverage and capital structure policy	6 hours	
	Week 16	Final exam		
		Total Hours	42 Hours	

Good Luck!