

Fundamentals of Finance

Faculty Contact Information

Name:

Email:

Office Hour information:



Course Information

Course Description

This course is an introduction to business finance. Topics include an overview of the finance function and its importance for the firm and the course presents global aspects of finance, giving an overview of money and capital markets, introducing students to financial analysis and time value of money. In addition, the course examines securities and bond pricing, risk and rates of return, cost of capital, and capital budgeting and risk analysis.

Course Goals

The course introduces students to the fundamental concepts in business finance and enables students to understand and to carry out financial calculations. The course also develops students' understanding of financial markets, such as stock and bond markets and examines the effects of the value of the firm created by the interaction of the investment and financial decisions, including understanding risk and return, trade-offs and the increasing influence of Environmental, Social and Governance (ESG)

Students taking this course are required to have an understanding of college-level mathematical/numerical principles.

Student Learning Outcomes

At the end of this course, students will:

1. Understand and analyse financial statements
2. Understand financial markets to be able to make relevant investment decisions
3. Carry out financial calculations and identify key elements of the investment and funding decisions
4. Understand the trade-off between risk and rate of return

Course Assignments, Grading, and Assessment

Assignment	Percentage	Grading Requirements
Attendance and Participation	20%	
Mid-Term Exam	25%	Please see rubric on MyStudy
Team Research Project Paper and Presentation	25%	Please see rubric on MyStudy
Final Exam	30%	Please see rubric on MyStudy

Brief Assessment Overview

Assessment 1: Mid-Term Exam

Due:

This assessment will evaluate your understanding of key financial principles learnt to date. The questions will be a mixture of calculations, analysis and knowledge-based.

Assessment 2: Team Research Project Paper and Presentation

Due:

In a 10 minute 8 slide presentation and 2,000 word paper:

Conduct a financial analysis of any company listed on a major stock exchange. Review the financial statements for the past three years and investigate its financial performance, cash flows, capital expenditures, financial ratios, and profitability trends. Apply the various theoretical tools that you have learned in this course to explain the macro environment in which the company operates. Provide an analytical commentary on the company's performance; simply providing a 'descriptive' will be insufficient. Include a bibliography to show the extent of your readings and research; emphasis is placed on the 'quality' of your sources.

Assessment 3: Final Exam

Due:

This final exam will evaluate your comprehensive understanding of the course material. Additionally, some questions will require you to reflect on insights gained from external visits conducted during the course.

Grading

Alternative formats of the FIE Grading Rubric are available in the Student Resources area of MyStudy@FIE.

Relevance	Knowledge and Understanding	Analysis, Critical Thinking and Integration of Experiential Learning	Scholarship and Style
Questions are interpreted correctly; Argument/thesis is clear and developed throughout; Discussion is focused on topic of the questions; Irrelevant content and discussion are not included	Recommended literature and/or research guidelines are used and interpreted appropriately; Selection and use of evidence shows understanding and insight; There is evidence of study beyond the	Approach shows evidence of analysis and independent reasoning; Originality in argument; Evidence of critical insight and reasoned	Conclusions are well justified and complete; Facts reported and statements made are accurate; Writing is clear and fluent; All sources are appropriate, accurately

		recommended literature and that introduced in the module	questioning of assumptions; Integration of connections and experiences outside of the formal classroom	acknowledged and formatted in recognised style; All work is the student's own
A 93-100 %	Totally appropriate interpretation and relevant; Excellent and thorough thesis development	Comprehensive understanding and mastery of core evidence and extensive wider reading	Excellent analytical skills, outstanding evaluation of evidence, independent and original critical insight; Meaningfully integrates experiential learning where appropriate	Exceptional fluency and accurate writing using appropriate language, conclusions are well-justified; Accurate and thorough referencing
A- 90-92%	Almost wholly appropriate interpretation and relevant; Very strong thesis	Very strong understanding of evidence and clear evidence of appropriate wider reading	Well-developed analytical skills, excellent evaluation of evidence, shows strong critical insight; Effectively integrates experiential learning where appropriate	Almost wholly accurate and fluent writing using appropriate language, conclusions are full and justified; Accurate referencing
B+ 87-89%	Appropriate interpretation and relevant; Good thesis throughout	Strong understanding of evidence and appropriate wider reading	Very good analytical skills, strong evaluation of evidence; Shows critical insight; Acknowledges and compares	Largely accurate and fluent writing using appropriate language; conclusions are justified; Accurate referencing

			experiential learning and other perspectives	
B 83-86%	Largely appropriate interpretation and relevant; Thesis is clear	Good understanding of evidence and some appropriate wider reading	Good analytical skills, good evaluation of evidence; Shows critical insight; Acknowledges and compares experiential learning and other perspectives	Largely accurate and fluent writing using appropriate language; Conclusions are justified; Accurate referencing
B- 80-82%	Mostly appropriate interpretation and relevant; Thesis is underdeveloped but clear	Sound understanding of evidence and some wider reading	Sound analytical skills; Sound evaluation of data; Shows some critical judgement identifies experiential connections	Sound level of accuracy and written fluency and some use of appropriate language; Conclusions are coherent; Sound use of referencing conventions
C+ 77-79%	Some appropriate interpretation and relevant; Thesis is underdeveloped and lacks clarity	Evidence is largely understood and some wider reading	Sometimes inconsistent analytical skills; Some evaluation of data; Shows some critical judgement though often descriptive; Identifies experiential connections	Sound level of accuracy and written fluency and some use of appropriate language; Conclusions are coherent but not fully supported; Sound use of referencing conventions

C 73-76%	May contain some misinterpretation and/or irrelevant material; Thesis lacks clarity	Evidence is largely understood; Limited reading beyond material introduced in module	Mostly inconsistent analytical skills; Some evaluation of data; Scant critical judgement mostly descriptive; Identifies experiential connections	Some level of accuracy and written fluency and some use of appropriate language; Conclusions are coherent but not fully supported; Sound use of referencing conventions
C- 70-72%	Limited interpretation and relevance; Thesis is inconsistent	Weak understanding of evidence; Limited reading beyond material introduced in module	Mostly inconsistent analytical skills; Some evaluation of data; Lacks critical judgement; Little integration experiential learning	Inconsistent written fluency; Weak use of appropriate language; Weak justification for conclusions; Adequate use of referencing conventions
D 60-69%	Limited interpretation and relevance; Lacks thesis	Weak understanding of evidence and limited, inappropriate wider reading	Inconsistent and weak analytical skills, poor evaluation of evidence, lacks critical insight; Little integration of experiential learning	Inconsistent written fluency; No justification for conclusions; Inaccurate use of referencing
F 0-59%	Significant misinterpretation and irrelevant material	Lacks understanding of evidence and inappropriate or no wider reading	Lacks analytical skills, lacks evaluation of evidence, lacks critical judgement; Lacks integration of experiential learning	Poorly written with little fluency; No justification for conclusions; Poor referencing; Evidence of plagiarism or

				inappropriate use of AI
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Policies specific to this course

- **Co-curricular Activities and Field Trips:** Field trips for your FIE courses have been planned to help students achieve the learning objectives of the course and are required. They take place during class time unless otherwise noted. Details about required visits appear on the class by class schedule below. Please note that any make up for missed co-curricular activities are at the personal expense of the student.
- **Late submission of work:** Written work may be submitted later than the due date only with express permission in advance of the due date from the course instructor. Late work will receive a 5% reduction in points for each 24-hour period handed in past the deadline, including each weekend day. Work submitted a week late will be marked at a C or lower. Any extensions made beyond the last class meeting must be requested in writing to the faculty and include any information on the circumstances that require the extension, the nature of work yet to be submitted, and the date by which the work will be received. If said work is not received by the agreed extension date, barring further exceptional circumstances, the work will not be given credit.
- **Late arrivals to class or site visit:** Please arrive on time. Lateness, particularly on days with co-curricular visits, results in missed course material. Faculty may use their discretion to mark a student as 'Absent' if they feel the student has arrived too late or left too early to be considered 'Present' for that session.
- **Trigger Warnings:** Some topics covered in class may expose students to past traumas and evoke a negative reaction. Sensitive topics can vary, such as sexual violence, death, racism, or xenophobia. I want this to be an inclusive space where every student feels comfortable; therefore, I will provide content warnings before lectures for sensitive subject matters. Content warnings are meant to give students a forewarning so they can prepare for their emotional safety. It is important to note that anything in the environment could be a trigger for someone's trauma, such as smell, sound, or texture; it is impossible to account for all possible triggers, and ask for grace as I do my best as an educator to warn students of potentially distressing content during lectures, assignments and/or discussions.

Attendance and Participation

- Regular attendance is essential in order to pass a course. A class constitutes lectures, student presentations, discussions, seminars, co-curricular activities, tests, and examinations. In addition, under UK Home Office regulations class attendance is mandatory.
- Class attendance and participation is formally recorded and incorporated into a student's final grade.
- In addition to physical presence in class, a student's participation in a class is evaluated on the mastery of assigned course readings as reflected in a consistent, valid contribution to class discussions, in-class exercises, and in asking questions that enrich the on-going discourse. Consistency and validity in participation is expected in every class. Limited participation will have a negative impact on a student's participation score.

- When unexpected events cause students to miss a class, it is the student's responsibility to initiate contact with the faculty member to notify them in advance, or as soon as is reasonably possible.
- Absence from class does not relieve a student of responsibility for assignments. Students bear the ultimate responsibility for all missed class material and assessment.
- If a student misses 25% or more of a course, then they may be awarded a failure for the course and/or not permitted to finish the course.
- [See the full attendance policy here](#)

Required Readings

News Articles from the *Financial Times*, *Bloomberg* and the *Wall Street Journal* to be shared with students between relevant classes.

Additional Resources and Readings

Berk, J. & DeMarzo, P. (2008). *Corporate Finance* plus myFinance Lab. (4th Ed. International Edition.). Pearson

Ross, S. A., Westerfield, R. W., Jordan, B. D. (2014). *Essentials of Corporate Finance Global Edition*. (Global or Middle East Editions). McGraw-Hill Higher Education [It is fine to use any edition after 2010]

MyStudy@FIE

MyStudy@FIE is FIE's virtual learning environment based on the open-source platform Moodle. Students are required to access MyStudy@FIE for course information, readings, link to resources, assignment submissions and communication with faculty.

FIE's Values in the Curriculum

A unique aspect to FIE's curriculum is our courses reflect an engagement with values of 1) knowledge and inclusivity, 2) ethics and human rights, 3) social and cultural engagement, and 4) sustainability. For information about each of these values and how each of FIE's courses aligns with them, please see [Our Values](#).

Topics

Please cover the following topics during the course. The distribution of the topics as well as the order in which they are covered is up to faculty discretion. Additionally, please feel free to add topics not on this list in your week-by-week plan, think of these as the minimum. If you have any concerns or comments about these please speak to the Academic Faculty Director.

- Macroeconomic framework: The Firm and the Finance Function. The role of the Financial Manager. Financial Objectives and Decisions
- Overview of the financial markets and the financial system: Their role and importance. The sources of business finance
- Capital Markets and Market Efficiency: Evaluating firm's performance by using financial statements and ratio analysis

- The Investment Decision: Overview and importance of project appraisal. Calculation of Net Present Value and Internal Rate of Return. Basic Discounted Cash Flow Techniques and comparison with other appraisal methods. Applications, relevant cash flows, risk and sensitivity analysis
- The Financing Decision: Different sources of financing a business. Raising Equity Finance. Types of equity, methods of issuing. Main problems and costs faced by firms engage in equity finance. Calculating the value of right and scrip issues. Debt Financing. Fixed and floating interest rates. Bank and security financing. The valuation of fixed interest rate debt. Hybrid finance. Leasing
- The Cost of Capital and Capital Structure: The Gordon growth model. Traditional approach. Miller and Modigliani's approaches. Weighted Average Cost of Capital
- The Influence on Investment of Environmental, Social and Governance: Including socially responsible investing, "impact investing," and "sustainable investing" and Islamic Investing

Possible co-curricular activities

- A Docklands and Canary Wharf tour
- A Walk around the City of London Financial district
- Guest lecture by an industry professional

Academic Integrity

By enrolling at FIE, you have joined an academic community and you are expected and required to act honestly regarding the work you submit for assessment in your courses. Academic integrity is closely related to the concept of good academic practice.

Any attempts to Cheat; Fabricate; Plagiarise; Collaborate without Authorisation; Participate in Academically Dishonest Activities; and/or Facilitate Academic Dishonesty will be viewed as a breach of this regulation.

[Please see FIE's Academic Integrity Policy in full.](#)

Most students do not have any problems understanding the rules and expectations about acting honestly at university. If you have any questions you must talk to your faculty or a member of FIE's Academic Team.

Writing and Language Support

FIE's Writing Support Tutors are available to assist students of all levels of expertise with all phases of the writing process. Available year-round and to all students. To book an appointment or for more information visit www.fie.org.uk/wst.

Please note that FIE allows the use of a foreign language/English dictionary in exam situations for students where English is not their primary language UNLESS the use of the dictionary would give the student a significant advantage (e.g. where the exam is aimed at getting the students to define terms that might be found in the dictionary).

Accommodations for Students

Students who wish to use academic accommodations at FIE can register to do so via FIE's Administration Team, by providing the appropriate supporting documentation. Students who have approved FIE academic accommodations should discuss them directly with their faculty member(s) within or around the first few class sessions, or via email. Exams are facilitated by FIE faculty and students should give 2 weeks' notice to faculty members if use of approved exam accommodations is required. The Administration team can assist students and faculty with liaison and facilitation as needed.

Additional Policies and Resources

Mental Health and Stress Management Support

FIE offers mental health support. If students wish to seek this support, including with FIE's counsellor, simply email studentlife@fie.org.uk. If you have a counsellor from back home that you are seeing, we strongly encourage you to maintain contact with them throughout your time studying abroad with FIE.

Diversity and Inclusivity

FIE regards its housing and classroom facilities as safe spaces to live, study, and work with students, faculty, and staff who are understanding, supportive, and trustworthy. Inappropriate, derogatory comments and/or actions, harassment, bullying, victimisation and discrimination are not tolerated. Any such behaviour will be investigated and dealt with appropriately. Students must be respectful of diverse opinions and of all class members regardless of personal attribute and use inclusive language in written and oral work.