

Finance Concepts

Prepared by Dr. Omar Al-kasasbeh

FNT 615

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Orientation-lecture



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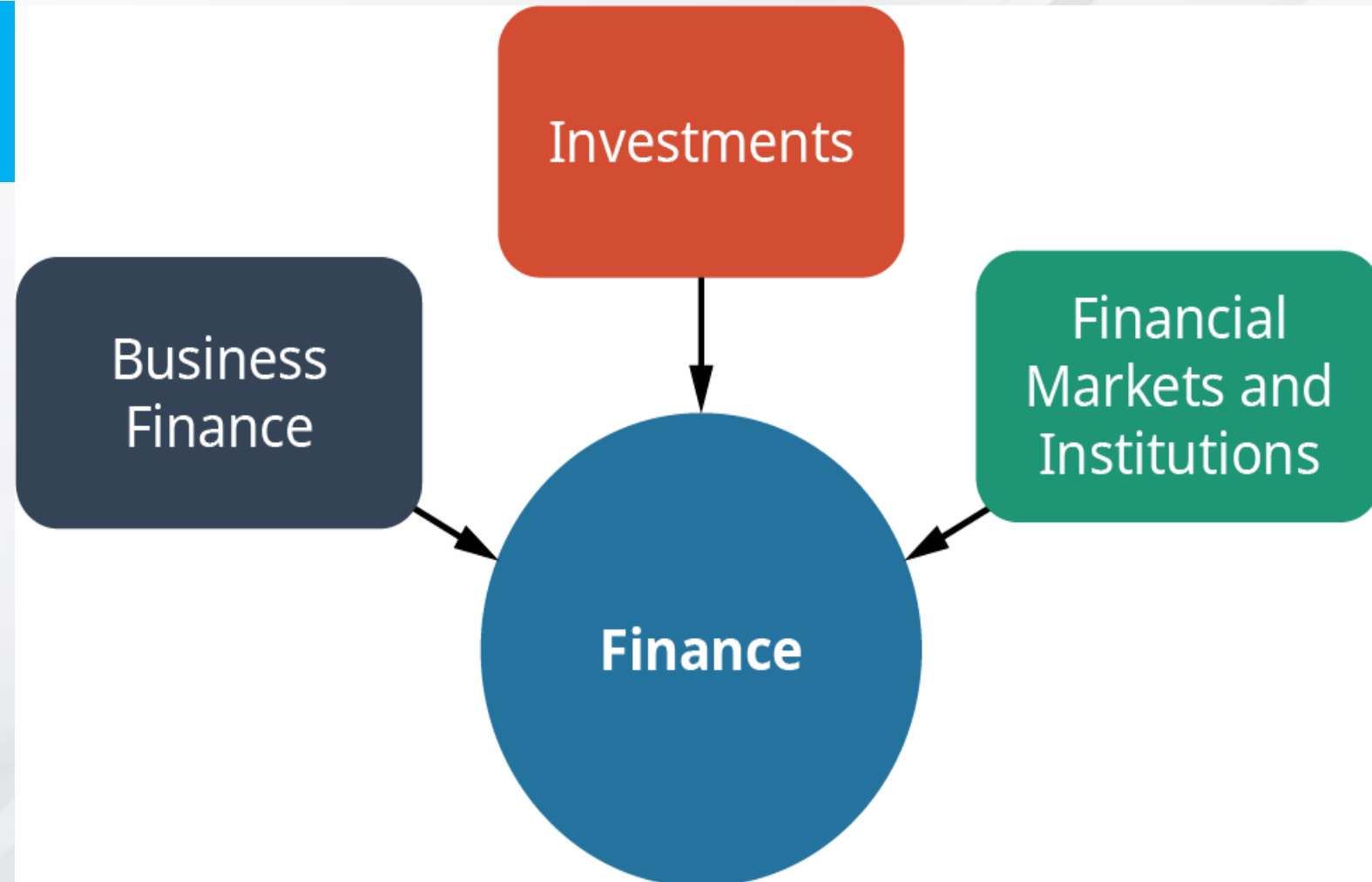
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Chapter
01

Introduction to Finance

1. Understand the importance of Finance in an Organization.
2. Gain insights into the various Concepts of Time and Value.

Chapter
01

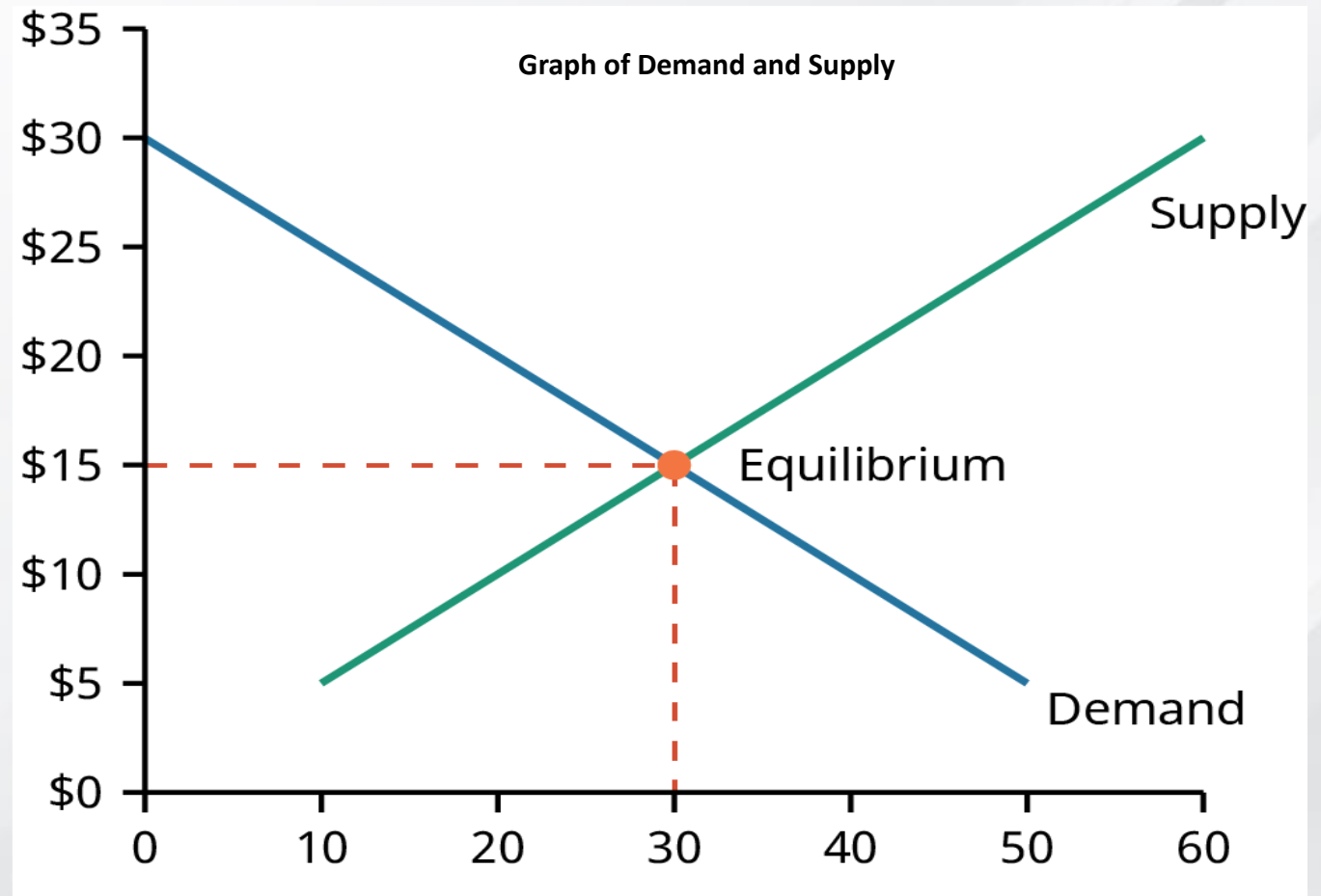


Chapter
02

Economic Foundations: Money and Rates

1. Understand the principles of Microeconomics and Macroeconomics.
2. Explain mechanisms of Business Cycles and Economic Activity.
3. Study foreign exchange rate systems.
4. Identify reliable and official sources and characteristics of economic data.

Chapter
02

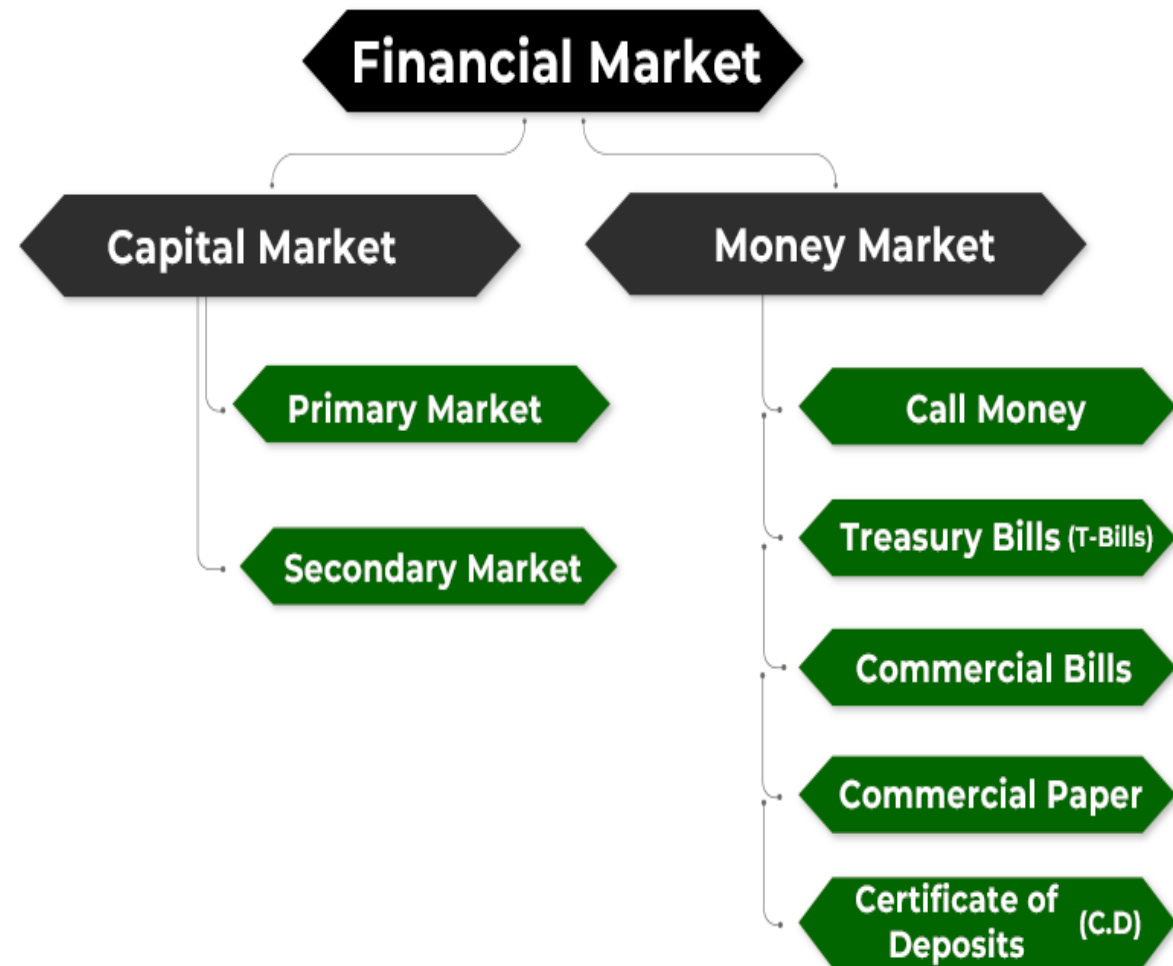


Chapter
03

Financial Markets

1. Explain the structure and main functions of financial markets.
2. Differentiate between the major types of financial markets and instruments.
3. Analyze the role of financial markets in facilitating capital formation and economic growth.

Chapter
03



Chapter
04

Financial Statements

1. Understand the structure and purpose of the Income Statement.
2. Explain the components and significance of the Balance Sheet.
3. Analyze the Statement of Cash Flows and its importance in assessing liquidity.

Chapter
04

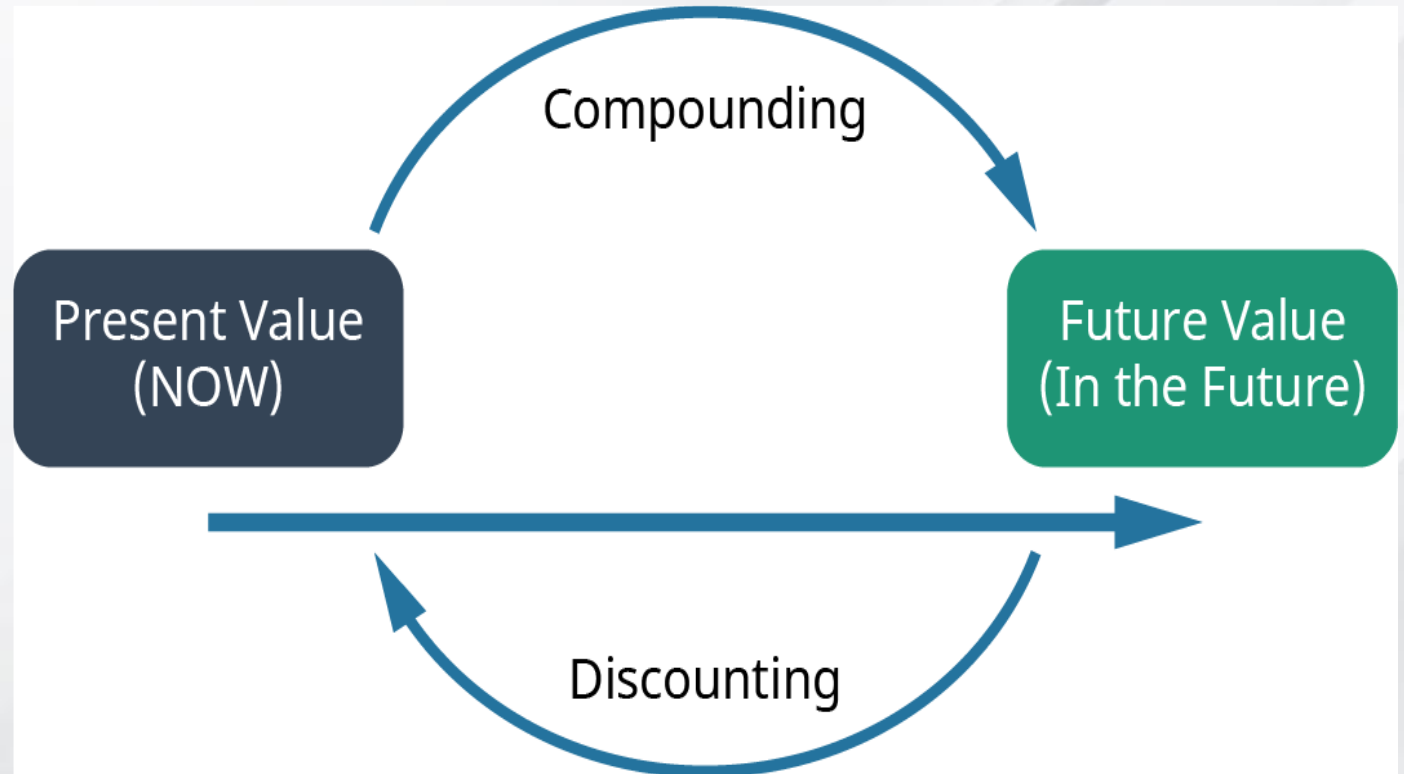


Chapter
05

Time Value of Money

1. Understand the basic principles of the Time Value of Money (TVM).
2. Apply methods to solve Time Value of Money problems.
3. Explain applications of Time Value of Money in finance.

Chapter
05



Chapter
06

The Meaning and Measurement of Risk and Return

1. Compare the historical relationship between risk and rates of return in capital markets.
2. Explain the relationship between an investor's required rate of return and the riskiness of an investment.

Chapter
06



Chapter
07

Bonds and Stocks

1. Understand characteristics of bonds and the principles of bond valuation.
2. Use the yield curve to analyze interest rates and investment decisions.
3. Apply multiple approaches to stock valuation.

Chapter
07

Steps in Pricing a Bond

1

Identify the amounts and timing of future cash flows.

2

Determine the discount rate.

3

Find the present values of the lump sum principal and the annuity stream of coupons.

4

Add the present value of the lump sum principal and the present value of coupons.

Chapter
08

The cost of capital

1. Understand the concepts underlying the firm's cost of capital.
2. Evaluate the costs of the individual sources of capital.

Chapter
08

Types of Cost of Capital





Thank You