

مكتبة

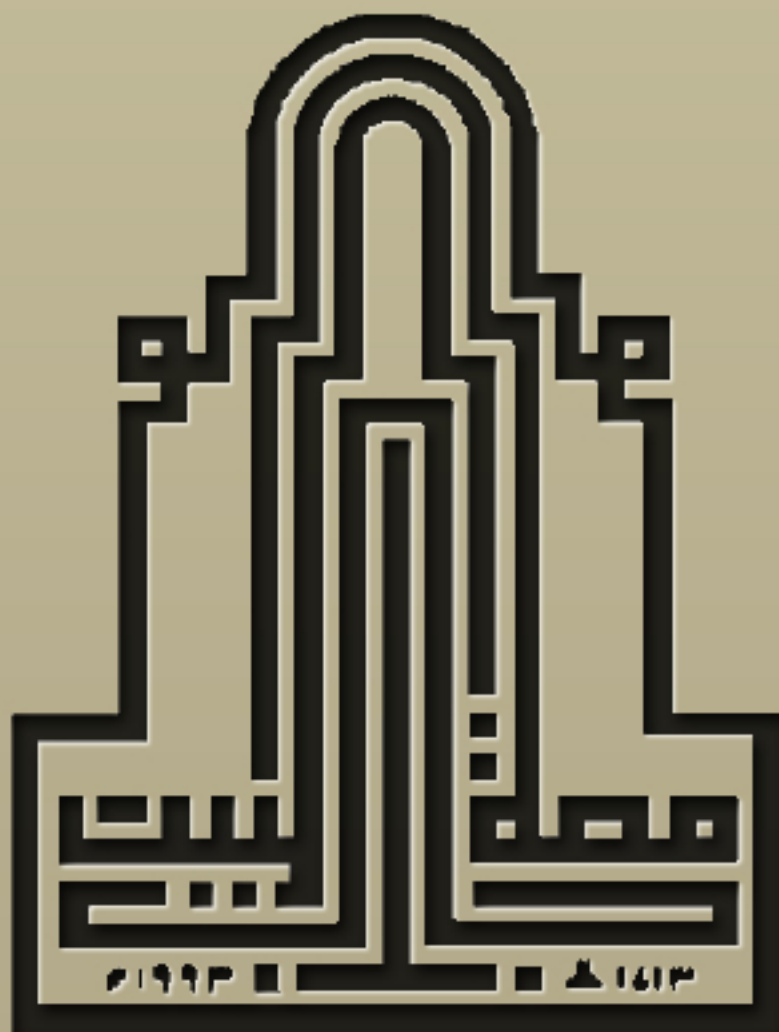
” خذُ وأعطي ”

الإلكترونية

جامعة آل البيت " كلية الإقتصاد "

مجموعة طلابية تسعى لتوفير كل ما يلزم طلاب

كلية إدارة المال والاعمال من مواد وشرحات واسئلة بصورة الكترونية



مكتبة  
خذ واعطي

عنا لعل

وغير ثابتة العزو

University,  
Department of Finance and Banking.

تحويله  
Principles of Finance, (0503101)  
Part 1, 1st Semester, 2012/2013

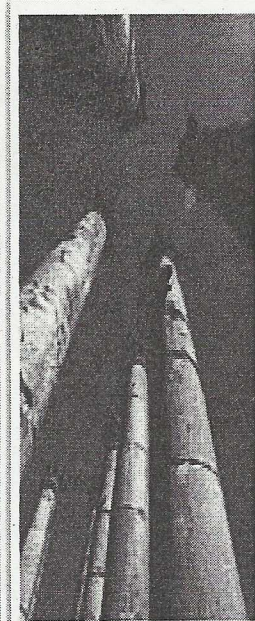
تحويله  
أو موارد مالية

عبارة تحويله

# PRINCIPLES OF FINANCE

(0503101)  
Part (1)

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Al - al BAYT University



د. سفيان الحرير

Part 1

مكتبة خذ واعطي

## KEY NOTES

### Office Hours:

- ❖ Tue: 10:00 – 11:00,
- ❖ Thu: 11:00 – 12:00,
- ❖ Wed: 11:00 – 12:30.

### Grading:

- ❖ 1<sup>st</sup> Exam: 20%.
- ❖ 2<sup>nd</sup> Exam: 20%.
- ❖ Positive Participation: 10%.
- ❖ Final Exam: 50%.

No Makeup at al.

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عاشق القدرات رفيق الدرب وربيع القلب

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مكتبة  
خدا واعطي

**\*Chapter 1\***  
**Principles of Finance**  
**An Overview**

Part 1

تحويل  
**What is FINANCE?**

- ادارة
- ☞ Finance is real time value management. Where value is considered from stakeholders perspective.
  - ☞ Finance as a discipline strives to achieve the corporation value maximization goal by creating value to the organization in particular and to the society as a whole.
  - ☞ As a system finance can be defined as a system of real time money management for achieving corporate value maximizing goal.
- مستلزمات  
يكتسب  
بكالوريوس  
تدريب  
منظور  
شركة  
أو نقابة  
مجتمع  
كل  
يحدد

تخصصات

## Specialization in Finance

- ☞ Financial Markets. <sup>احواف نقد</sup>
  - Markets of users (deficit units) and savers of funds (surplus units). <sup>فائضه</sup>
- ☞ Financial Services.
  - Design and delivery of financial <sup>توصيل</sup> advice and products to individuals, businesses, and government. <sup>تصميم</sup>
- ☞ Managerial Finance. <sup>ادارة</sup>
  - Financial management of business firms. <sup>شركة</sup>

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Part 1

موظف / وظيفة

## Career in Finance

- ☞ Financial Analyst. <sup>تحليل</sup>
- ☞ Project finance manager.
- ☞ Cash manager.
- ☞ Capital budgeting analyst/ manager. <sup>موازنه تحليل</sup>
- ☞ Credit analyst/ manager. <sup>دائره</sup>
- ☞ Pension fund manager. <sup>نقد راتب</sup>

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### Financial Goals of a Company

- ☞ Maximize sales. *تدقيق*
- ☞ Maximize cash in flow.
- ☞ Maximize market share. *حصة / سهم*
- ☞ Maximize profit. *ربح*
- ☞ Minimize costs. *تكاليف*
- ☞ Maximize return on sales, investment, equity. *عائد*
- ☞ Ensure earnings stability. *ثبات / استقرار*
- ☞ Achieve target goals for sales, profits, market share or return.

ضمان / يكفل

Part 1

### Goals of the Firm?

Profit Maximization!

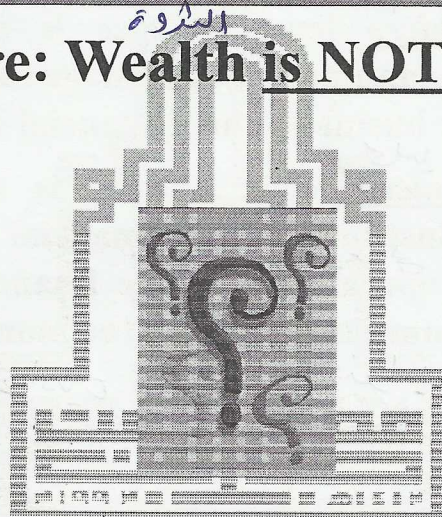
*حصول أقصى عائد ممكن (المالي)*

Shareholder Wealth Maximization!

Corporate Wealth Maximization!

?!?!?!?

الهدر الثروة الربح  
**Beware: Wealth is NOT profit!**



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Part 1

مسؤولية مسؤولين  
**Responsibility of the Financial Staff**

Maximize stock value by:

- ❖ Forecasting and planning, التنبؤ / التنبؤ
- ❖ Investment and financing decisions, تمويل / استثمار
- ❖ Coordination and control, تنسيق
- ❖ Transactions in the financial markets, & صفقات
- ❖ Managing risk, إدارة مخاطر

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### ...What is FINANCE?

☞ At the <sup>ميكرو</sup> micro level, finance is the study of financial planning, asset management, and fund raising for businesses and financial institutions.

☞ At the <sup>ماكرو</sup> macro level, finance is the study of financial institutions and financial markets and how they <sup>يعملون</sup> operate within the financial system in both the domestic and global economies.

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### Part 1

### What is Financial Management?

☞ Concerns the acquisition, financing, and management of assets with value maximizing goal in mind, within reasonable levels of Risk, Return, and Safety.

☞ The team responsible for conducting those activities are called financial managers.

☞ Financial managers are responsible for answering the following important questions:

- What long-term investments should the firm take on?
- Where will we get the long-term financing to pay for the investment?
- What should be the dividend payout ratio?
- How will we manage the everyday financial activities?

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## Financial Manager's Decision

☞ Most important of the financial managers' decisions:

- Investment decisions.
- Financing Decisions. *قدرات التمويل*
- Assets Management Decision.
- Dividend Decisions. *قدرات الأرباح*

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### Part 1

## 1. Investment Decisions

☞ The Most important of the four decisions, which emphasis on:

- ❖ What is the optimal firm size?
- ❖ What specific assets should be acquired?
- ❖ What assets (if any) should be reduced or eliminated?

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قدرات التمويل  
الجانب الأيسر

2. Financing Decisions

Determine how the assets (LHS of balance sheet) will be financed (RHS of balance sheet), it concerns about the following questions:

- ❖ What is the best type of financing?
- ❖ What is the best financing mix?
- ❖ What is the best dividend policy?
- ❖ How will the funds be physically acquired?

كيف سيتم تمويل الأصول

ما هو أفضل أنواع التمويل

Part 1

3. Asset Management Decisions

The main topics for such decisions are:

- ❖ How do we manage existing assets efficiently?
- ❖ Financial manager has varying degrees of operating responsibility over assets.
- ❖ Greater emphasis on current asset management than fixed asset management.

كيف ندير الأصول الموجودة بكفاءة

إدارة الأصول  
التي لا ثابتة

$$\frac{\text{مخرجات}}{\text{مدخلات}} = \frac{\text{output}}{\text{input}} = \text{الكفاءة}$$

تقسيم / توزيع الربح

#### 4. Dividend Decisions

- ☞ How much to pay to shareholder?
- ☞ Should firm look for growing with internal support? *أو Not*
- ☞ What is the best dividend payout ratio that supports firm's growth internally?

هل يمكن للشركة

Part 1

#### Some other Practical Decisions

بعض القرارات التفيذية

- ☞ Capital budgeting *العوازنة الرأس المال*
  - What long-term investments or projects should the business take on? *الاقتنارية التطويله الاجل*
- ☞ Capital structure *هيكل التمويل*
  - How should we pay for our assets?
  - Should we use debt or equity?
- ☞ Working capital management *إدارة رأس المال العامل*
  - How do we manage the day-to-day finances of the firm? *كيف ندير التمويل الإداري في كل يوم*

فاهم المشروعات

أهمية التمويل الإداري

### Importance of Managerial Finance

٥١١

- Most business decisions cannot be made without considering the impact on the financial well-being of the firm.
- Must determine whether the funds needed to implement decisions are available.

لا يمكن اتخاذ  
أي قرار إلا بعد التأكد  
من صياغة الشركة

يجب أن نحدد مدى توفر القرار المالي

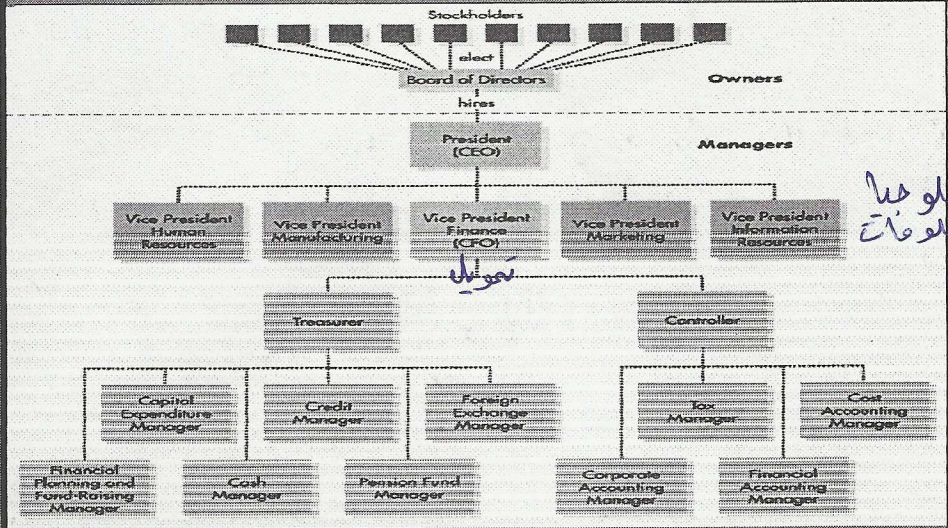
Part 1

### ...Importance of Managerial Finance

Company ABC Balance Sheet As of December 31, 2012	
<p>أصول متداولة</p> <p>Maximized wealth not profit!</p>	<p>أصول ثابتة</p> <p>Investment Decisions utilize funds</p>
<p><b>Assets:</b></p> <p><i>Current Assets</i></p> <p>Cash &amp; M.S. المندوق</p> <p>Accounts receivable</p> <p>Inventory العزرون</p> <p><b>Total Current Assets</b></p> <p><i>Fixed Assets:</i></p> <p>Gross fixed assets</p> <p>Less: Accumulated dep</p> <p>Goodwill</p> <p>Other long-term assets</p> <p><b>Total Fixed Assets</b></p> <p><b>Total Assets</b></p>	<p><b>Liabilities &amp; Equity:</b></p> <p><i>Current Liabilities</i></p> <p>Accounts payable</p> <p>Notes Payable</p> <p><b>Total Current Liabilities</b></p> <p><i>Long-Term Liabilities</i></p> <p><b>Total Liabilities</b></p> <p><i>Equity:</i></p> <p>Common Stock</p> <p>Paid-in-capital</p> <p>Retained Earnings</p> <p><b>Total Equity</b></p> <p><b>Total Liabilities &amp; Equity</b></p>
	<p>Debt are paid by cash flow not income!</p> <p>Financing Decisions require funds</p>

الهيكل التنظيمي

## Finance in the Organizational Structure



ركنو على  
معلومات

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Part 1

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