

FIN-401

**Introduction to finance**

Fahlenbrach Rüdiger

<b>Cursus</b>	<b>Sem.</b>	<b>Type</b>
Financial engineering	MA1, MA3	Obl.

Language of teaching	English
Credits	6
Session	Winter
Semester	Fall
Exam	Written
Workload	180h
Weeks	14
<b>Hours</b>	<b>5 weekly</b>
Courses	3 weekly
Exercises	2 weekly
<b>Number of positions</b>	

**Remark**

For sem. MA1

**Summary**

The course provides a market-oriented framework for analyzing the major types of financial decisions made by firms. It provides an introduction to present value techniques, capital budgeting, asset valuation, the operation and efficiency of financial markets, and other financial decisions of firms.

**Content**

1. Introduction to finance
2. Arbitrage, discounting, and the term structure of interest rates
3. Introduction to the valuation of bonds and stocks
4. Risk and return
5. Capital Budgeting
6. Capital Structure Decisions
7. Financial derivatives
8. Risk management

**Keywords**

Corporate Finance, Valuation, Arbitrage Pricing, Risk Management

**Learning Prerequisites****Required courses**

None

**Recommended courses**

None

**Learning Outcomes**

By the end of the course, the student must be able to:

- Explain standard valuations models used in financial markets
- Recall the trade-off between risk and return and develop an ability to make portfolio decisions
- Develop an ability to analyze and evaluate firms and investment projects

- State the determinants of financing decisions for firms and investment projects
- Describe derivatives markets and their benefits and costs

### Transversal skills

- Plan and carry out activities in a way which makes optimal use of available time and other resources.
- Assess one's own level of skill acquisition, and plan their on-going learning goals.
- Access and evaluate appropriate sources of information.

### Teaching methods

Lectures, homework, exercises, case studies

### Expected student activities

attendance at lectures, handing in homeworks, completing case studies, class participation

### Assessment methods

35% Homework  
25% Midterm exam  
40% Final exam

Homework is open book. Final exam is closed-book.

### Supervision

Office hours	Yes
Assistants	Yes
Forum	No

### Resources

#### Bibliography

Berk and DeMarzo, Corporate Finance, Pearson, 2007.

#### Ressources en bibliothèque

- [Corporate Finance / Berk](#)

#### Notes/Handbook

Lecture notes for each class will be available via moodle.

### Prerequisite for

- Advanced derivatives
- Advanced topics in financial econometrics
- Credit risk
- Derivatives
- Behavioral finance
- Financial econometrics
- Fixed income analysis
- Investments
- Real options and financial structuring

- Venture capital