

MGT-482

Principles of finance

Morellec Erwan

| Cursus | Sem. | Type |
|---|----------|------|
| Energy Science and Technology | MA1, MA3 | Opt. |
| Management, Technology and Entrepreneurship minor | H | Opt. |
| Managmt, tech et entr. | MA1, MA3 | Obl. |

| | |
|----------------------------|-----------------|
| Contact language | English |
| Credits | 5 |
| Session | Winter |
| Semester | Fall |
| Exam | Written |
| Workload | 150h |
| Weeks | 14 |
| Hours | 4 weekly |
| Lecture | 2 weekly |
| Exercises | 2 weekly |
| Number of positions | |

Summary

The course provides a market-oriented framework for analyzing the major financial decisions made by firms. It provides an introduction to valuation techniques, investment decisions, asset valuation, financing decisions, and other financial decisions of firms.

Content

1. Introduction to finance
2. Arbitrage, discounting, and interest rates
3. Introduction to the valuation of bonds and stocks
4. Risk and return
5. Evaluating firms and projects/innovations
6. Financing firms and projects/innovations
7. Financial derivatives

Keywords

Corporate Finance, Valuation, Portfolio Choice, Arbitrage Pricing, Option Pricing Theory

Learning Prerequisites**Required courses**

No prerequisite

Recommended courses

No prerequisite

Important concepts to start the course

No prerequisite

Learning Outcomes

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

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

- Understand the determinants of financing decisions
- Understand 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.
- Use a work methodology appropriate to the task.
- Communicate effectively, being understood, including across different languages and cultures.
- Communicate effectively with professionals from other disciplines.
- Give feedback (critique) in an appropriate fashion.
- Evaluate one's own performance in the team, receive and respond appropriately to feedback.
- Keep appropriate documentation for group meetings.
- Negotiate effectively within the group.
- Resolve conflicts in ways that are productive for the task and the people concerned.
- Assess one's own level of skill acquisition, and plan their on-going learning goals.
- Use both general and domain specific IT resources and tools
- Access and evaluate appropriate sources of information.
- Collect data.

Teaching methods

Lectures, homework, exercises

Assessment methods

50% Homework

50% Final exam

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

Supervision

| | |
|--------------|-----|
| Office hours | No |
| Assistants | Yes |
| Forum | No |

Resources

Bibliography

Berk and DeMarzo, Corporate Finance, 4th edition, Pearson 2017

Ressources en bibliothèque

- [Corporate Finance / Berk](#)

Notes/Handbook

Available on the Moodle site

Moodle Link

- <https://go.epfl.ch/MGT-482>

Prerequisite for

Venture capital

