

FIN-401

Introduction to finance

Isakov Dusan

| Cursus | Sem. | Type |
|-----------------------------|-------------|-------------|
| Financial engineering minor | H | Opt. |
| Financial engineering | MA1, MA3 | Obl. |

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|----------------------------|-----------------|
| Language of teaching | English |
| Credits | 6 |
| Session | Winter |
| Semester | Fall |
| Exam | Written |
| Workload | 180h |
| Weeks | 14 |
| Hours | 4 weekly |
| Lecture | 2 weekly |
| Exercises | 2 weekly |
| Number of positions | |

Remark

MA1 only. OPEN TO IF MASTER, IF MINOR AND IF EXCHANGE STUDENTS ONLY

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
6. Financing firms and projects
7. Financial derivatives

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

20% Homework

30% Case study

50% Final exam

Homework and case study are open book. Final exam is closed-book.

Supervision

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

Resources

Virtual desktop infrastructure (VDI)

No

Bibliography

Berk and DeMarzo, Corporate Finance: Global Edition Pearson, 4th edition, ISBN: 1292160160

Ressources en bibliothèque

- [Corporate Finance / Berk](#)

Notes/Handbook

Lecture notes for each class will be available via moodle.

Moodle Link

- <https://go.epfl.ch/FIN-401>

Prerequisite for

- Advanced derivatives
- Interest rate & credit risk models
- Derivatives
- Financial econometrics
- Investments

- Real options and financial structuring
- Venture capital