MGT-301  Foundations in financial economics
Collin Dufresne Pierre, Hugonnier Julien

<table>
<thead>
<tr>
<th>Cursus</th>
<th>Sem.</th>
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<td>Humanities and Social Sciences</td>
<td>BA5</td>
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<th>Language of teaching</th>
<th>Credits</th>
<th>Session</th>
<th>Semester</th>
<th>Exam</th>
<th>Workload</th>
<th>Weeks</th>
<th>Hours</th>
<th>Lecture</th>
<th>Number of positions</th>
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<tr>
<td>English</td>
<td>2</td>
<td>Winter</td>
<td>Fall</td>
<td></td>
<td>60h</td>
<td>14</td>
<td>2 weekly</td>
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Remark
Une seule inscription à un cours SHS+MGT autorisée. En cas d’inscriptions multiples elles seront toutes supprimées sans notification

Summary
The aim of this course is to expose EPFL bachelor students to some of the main areas in financial economics. The course will be organized around six themes. Students will obtain both practical insights through real-world examples and understand how one can model the main economic trade-offs.

Content
The course will be organized around six themes that are each covered over two or three weeks from two different angles. The covered themes are
- The time value of money and capital budgeting
- The risk/return tradeoff and portfolio choice
- Derivatives pricing and hedging
- Capital structure
- Agency and contract theory
- Trading on private information

Keywords
Financial economics; investments; stock exchange; finance; stocks and bonds; options; corporate finance; capital budgeting

Learning Prerequisites
Required courses
none

Recommended courses
none

Important concepts to start the course
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 investment projects
• Describe derivatives markets and their benefits and costs
• Elaborate on the role of information in financial markets
• Analyze the determinants of an agency relation

Transversal skills

• Plan and carry out activities in a way which makes optimal use of available time and other resources.
• Continue to work through difficulties or initial failure to find optimal solutions.
• Assess one's own level of skill acquisition, and plan their on-going learning goals.
• Access and evaluate appropriate sources of information.
• Collect data.

Teaching methods
Lectures; homework; case studies

Expected student activities
Attend lectures
Complete homeworks in groups
Participate in class

Assessment methods
Assignments, completed in groups during the semester.
Assignments may be qualitative, quantitative, data exercises, or real-word case studies (100%)

Supervision
Office hours Yes
Assistants Yes
Forum Yes

Resources
Virtual desktop infrastructure (VDI)
No

Bibliography
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Ressources en bibliothèque
• Corporate Finance, Global Edition,

Notes/Handbook
Lecture notes will be provided for each lecture

Moodle Link
• https://go.epfl.ch/MGT-301