

MGT-301

Foundations in financial economics

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Cursus	Sem.	Type
Humanities and Social Sciences	BA5	Obl.

Language of teaching	English
Credits	2
Session	Winter
Semester	Fall
Exam	During the semester
Workload	60h
Weeks	14
Hours	2 weekly
Courses	2 weekly
Number of positions	80

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

- [Find the references at the Library](#)

Notes/Handbook

Lecture notes will be provided for each lecture

Moodle Link

- <https://go.epfl.ch/MGT-301>

