

- Faculté des sciences économiques
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Principles of Finance (5EN1010)

Filières concernées	Nombre d'heures	Validation	Crédits ECTS
Bachelor en mathématiques	Cours: 2 ph TP: 2 ph	Voir ci-dessous	6
Bachelor en sciences économiques	Cours: 2 ph TP: 2 ph	Voir ci-dessous	6
Pilier principal B A - économie	Cours: 2 ph TP: 2 ph	Voir ci-dessous	6
Pilier principal B A - management	Cours: 2 ph TP: 2 ph	Voir ci-dessous	6

ph=période hebdomadaire, pg=période globale, j=jour, dj=demi-jour, h=heure, min=minute

Période d'enseignement:

- Semestre Printemps

Equipe enseignante

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Contenu

This course introduces students to the core concepts of modern finance. Students will learn how to value bonds and equities, the benefits from diversification, how to construct optimal portfolios, how to determine risk premia, the concept of market efficiency, the investment behavior of individual investors and common investment strategies employed by professionals (e.g., mutual funds, hedge funds, pension funds).

Tentative Course Outline:

- 1: Financial Decision Making and the Law of one Price
- 2: The Time Value of Money
- 3: Interest Rates
- 4: Valuing Bonds
- 5: Valuing Stocks
- 6: Capital Markets and the Price of Risk
- 7: Optimal Portfolio
- 8: Mock-exam (examen blanc)
- 9: The Capital Asset Pricing Model (CAPM)
- 10: Implementing the CAPM
- 11: Investor Behavior
- 12: Efficiency of the Market Portfolio
- 13: The Big Picture: Global Financial Markets
- 14: Review, Q&A

Forme de l'évaluation

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Final exam: 120-minutes written exam (100%) during the exam session.

Retake exam: 120-minutes written exam (100%) during the exam session.

Neither documents nor connected devices are permitted during the exams. A simple calculator is permitted and a cheat sheet (one page DIN-A4, back and front, handwritten). In case of violation of these rules, the students are in a situation of fraud and the unauthorized items will be removed. The exam could be deemed as failed.

Documentation

Berk, J., and P. DeMarzo (2017): Corporate Finance, Fourth Edition (Global Edition). (BDM)

A French translation is available:

Berk, J., and P. DeMarzo (2017): Finance d'entreprise, 4e édition, édition françaises par Gunther Cappelle-Blancard et Nicolas Coderc.

The fifth edition of the book also works!

Pré-requis

Recommended: Statistique descriptive, Mathématiques appliquées 1 & 2.

Forme de l'enseignement

Two hours lecture
Two hours exercise

Objectifs d'apprentissage

Au terme de la formation l'étudiant-e doit être capable de :

- Illustrate whether portfolios of financial assets are efficient
- Assemble conceptual knowledge in finance
- Describe the concept of diversification and optimal portfolio formation
- Explain the concept of the Law of One Price as a unifying principle of valuation in finance
- Measure the risk and return of financial investments
- Evaluate whether financial assets are fairly priced
- Apply asset pricing models to evaluate the pricing of bonds and equities
- Explain important concepts of asset pricing and portfolio management orally or in writing

Compétences transférables

- Apply knowledge to new situations
- Generate new ideas (creativity)
- Carry out a critical analysis