

## Financial Economics

Course # ECON 2007

Credits 6

**Pre-requisites and Co-requisites:** None

### Course description

The Financial Economics course is an introductory course in finance built on general principles that apply across all subfields – corporate finance, investment, and financial markets and institutions. It introduces the three main “pillars” to finance – optimization over time (the analysis of intertemporal trade-offs), asset valuation and risk management (including portfolio theory). Finance principles to decision problems faced by households and firms are applied through case-study review. The course also covers the theory and practice of asset pricing and issues in corporate finance.

### Course learning outcomes

Upon successfully completing this course, students will be able to:

- **Discuss** finance concepts and principles
- **Evaluate** financial decisions of a firm
- **Apply** representative agent analysis to solve a simple portfolio choice problem
- **Apply** fundamental valuation models to price financial instruments
- **Provide** a conceptual framework for the management of risk
- **Apply** capital budgeting tools to make informed decisions about viability of investment projects and the optimal schemes to finance those projects
- **Apply** methods for quantifying various types of risk in finance and explain the risk-return trade-off

### Course Assessments and Grading

Item	Weight
Seminars and participation	10%
Progress test	30%
Midterm	30%

Final	30%
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