

BFIN 3000: Finance Fundamentals
Fall 2016

Professor: Shawn Thomas
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Times and Places: Wednesdays from 3:30-6:00pm in 270 Mervis Hall

Course Description

This course is designed to provide you with a firm foundation in the theory of finance.

Course Materials

The required textbook for the course is:

- Financial Theory and Corporate Policy, by Copeland, Weston, and Shastri (CWS), 4th edition, Pearson Addison/Wesley, 2005 (ISBN 0-321-12721-8). You may also want to obtain a copy of the Student Solutions Manual to accompany the textbook.

We will not explicitly cover material from textbooks other than CWS. For reference, other texts commonly used in similar courses include:

- Foundations of Financial Economics, by Huang and Litzenberger
- Theory of Financial Decision Making, by Ingersoll
- The Theory of Finance, by Fama and Miller. (Due to recent events, the book has become something of a collectors' item and prices on some copies have increased dramatically.)

I'll provide copies of any additional materials needed for the course, e.g., journal articles, lecture notes, etc.

Course Grades

Course grades will be determined by the quality of: in-class presentations of material from the text, in-class problem-solving sessions, and contributions to class discussion (35%), homework (10%), and a final exam (55%). Homework assignments consist primarily of the end-of chapter problems from CWS. We will also spend some time going over end-of chapter problems during class. Homework assignments will be collected at the end of the class meetings in which they are due. You are permitted to discuss the homework problems with other students. However all students should complete all of the problems themselves and must turn in separate assignments.

Tentative Course Schedule

Date	Topic	Required reading and homework due
8/31	Investment decisions under certainty	CWS chapters 1 and 2
9/7	Investment decisions under uncertainty	CWS chapter 3
9/14	State preference theory	CWS chapter 4
9/21	Mean-variance portfolio theory	CWS chapter 5
9/28	CAPM and APT	CWS chapter 6
10/5	Contingent claims pricing	CWS chapter 7
10/12	Term structure and efficient capital markets	CWS chapters 8 and 10
10/19	Final Exam	