

COURSE INFORMATION

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|------------------------|------------------------|-----------------|---|
| Course title: | Introductory Finance | Credits: | 1.5 |
| Course code: | BAFI 500 | Class location: | HA 132 |
| Session, term, period: | 2019 W1, Period 2 | Class times: | Mon & Wed 16:00 – 18:00 |
| Section(s): | 001 | Pre-requisites: | None |
| Course duration: | Oct 28 to Nov 29, 2019 | Co-requisites: | None |
| Division: | Finance | Course website: | https://canvas.ubc.ca |
| Program: | MBA | | |

INSTRUCTOR INFORMATION

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|-------------|--|------------------|--------|
| Instructor: | Professor Markus Baldauf | Office location: | HA 873 |
| Phone: | 604-822-8558 | Office hours: | TBD |
| Email: | markus.baldauf@sauder.ubc.ca | | |

COURSE DESCRIPTION

This course introduces students to the foundations of financial economics. This includes concepts such as the time value of money, interest rates, the functioning of capital markets, and capital budgeting. Furthermore, students will gain exposure to important asset classes such as fixed income and equity.

COURSE FORMAT

Class time will be used for a combination of lectures, discussion, and solving sample problems. Attendance is expected to accomplish the learning objectives below. Lectures and discussions will assume that students have pre-read the corresponding lecture notes.

LEARNING OBJECTIVES

Students who successfully complete the course will have an ability to quantitatively evaluate the financial benefits associated with personal and corporate real investment decisions. Students will also have a basic understanding of the determinants of discount rates.

ASSESSMENTS

The course grade will be determined based on the weights that are given in the table below.

Submission Details

- The quizzes will be administered through the course website.
- The project will be submitted to ComPAIR (a peer-evaluation software), which can be accessed through the course website.
- BMC–Bloomberg Market Concepts–is an online course. Signup information will be posted on the course website.
- The final exam will take place during exam week.

| Component | Weight |
|--------------|-------------|
| Quizzes | 30% |
| Project | 20% |
| BMC | 10% |
| Final exam | 40% |
| Total | 100% |

LEARNING MATERIALS

Lecture Notes

Self-contained lecture notes will be posted on the course website before each lecture.

Textbook

The lecture notes are supplemented by the following textbook: Berk, DeMarzo, Stangeland: Corporate Finance, 4th Canadian Edition. <http://www.mypearsonstore.ca/bookstore/corporate-finance-fourth-canadian-edition-0134632281> The textbook is optional, but I encourage students to have access to it (or an older edition). The readings provide alternative perspectives and explanations to the lecture notes, which will aid your understanding.

COURSE-SPECIFIC POLICIES AND RESOURCES

Missed or late assignments, and regrading of assessments

Late submissions will not be accepted and will receive a grade of zero.

Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

Other Course Policies and Resources

Re-grading Policy

Mistakes can occasionally be made in grading. Email your instructor within one week of the receipt of the grade if you believe there is a significant mistake in the grading of your work. Explain in detail where and why you think the grading was done incorrectly. The entire assignment/exam will be re-graded, and your grade may increase or decrease as a result.

POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

Attendance

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

Punctuality

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

Electronic Devices

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School's policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students' use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

Citation Style

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:
<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

Academic Integrity

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

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All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.]

ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

COURSE SCHEDULE

(Subject to change)

| Week | Class | Date | Topics | Chapters |
|------|-------|-------------|---|-----------|
| 1 | 1 | Mon, 28-Oct | Introduction, overview of financial markets | 1, 10 |
| | 2 | Wed, 30-Oct | Time value of money, discounting | 4 |
| 2 | 3 | Mon, 4-Nov | Interest rates, yield curve | 5 |
| | 4 | Wed, 6-Nov | Fixed income securities | 6 |
| 3 | | Mon, 11-Nov | No meeting (Veterans Day) | |
| | 5 | Wed, 13-Nov | Fixed income securities | 6 |
| | 6 | Fri, 15-Nov | Efficient markets, event studies | 14 |
| 4 | 7 | Mon, 18-Nov | Stocks | 7, 11, 12 |
| | 8 | Wed, 20-Nov | Stocks | 7, 11, 12 |
| 5 | 9 | Mon, 25-Nov | Capital budgeting | 8 |
| | 10 | Wed, 27-Nov | Capital budgeting | 8 |