

### COURSE INFORMATION

Course title:	Introductory Finance	Credits:	1.5
Course code:	BAFI 550	Class location:	Zoom (link below)
Session, term, period:	2022 W2	Class times:	<u>China Standard Time</u> : Mar 4, 5 & 11, 2023 from 8:00am to 2:30pm <u>Vancouver Time</u> : Mar 3, 4 & 10, 2023 from 4:00pm to 10:30pm
Section(s):	822	Pre-requisites:	n/a
Course duration:	From Mar 3/4, 2023 to Mar 26/27, 2023	Co-requisites:	n/a
Division:	Finance		
Program:	IMBA		

### INSTRUCTOR INFORMATION

Instructor:	Professor Jan Bena	Office location:	Zoom link will be sent via calendar invite once the appointment is agreed
Phone:	+1 604.822.8490	Office hours:	By appointment
Email:	<a href="mailto:jan.bena@sauder.ubc.ca">jan.bena@sauder.ubc.ca</a>		
Web:	<a href="http://www.janbena.com">www.janbena.com</a>		

### COURSE DESCRIPTION

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

### COURSE FORMAT

Live lectures on Zoom will be the main teaching mode of this course:

**Zoom Link:** <https://ca01web.zoom.us/j/66327142162?pwd=V3J0VDBGcEJVQzVUelkycFdLRUc2Zz09>

**Meeting ID:** 663 2714 2162

**Passcode:** 278112

Live class time will be used for a combination of lectures, discussion, solving sample problems, and reflecting on how the course material squares with real-world examples. Attendance is expected to accomplish the learning objectives below. Lectures and discussions will assume that students have pre-read the corresponding lecture notes and assigned materials listed in the course schedule below.

### LEARNING OBJECTIVES

Students who successfully complete the course will have an ability to quantitatively evaluate the financial benefits associated with personal and corporate investment decisions. Students will also have a basic understanding of the determinants of discount rates and will be able to perform simple stock valuations and capital budgeting decisions. The course forms the foundation for further learning in the area of finance.

## ASSESSMENTS

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

### Summary

<u>Component</u>	<u>Weight</u>
4 Problem sets	4 x 15% = 60%
Final individual take-home project	30%
Class participation	10%
Total	<u>100%</u>

### Details of Assessments

- Class participation
  - Pre-live and post-live class activities, including, pretests and post quizzes, will be administered through the course website.
  - Live class participation.
- The problem sets will be administered as quizzes through the course website. The proposed deadline for the problem sets is indicated in the Course Schedule below. The deadline may be revised based on a discussion with the class.
- The take-home Final Individual Project will be submitted through course website.

## LEARNING MATERIALS

### Lecture Notes

Self-contained lecture notes and accompanying materials are posted on the course Canvas page.

### Textbook

The lecture notes are supplemented by the following textbook: [Corporate Finance, Fifth Global Edition, by Jonathan Berk and Peter DeMarzo, Pearson](#) (ISBN-13: 9781292366630). The textbook is suggested reference material. The readings provide alternative perspectives and explanations to the lecture notes, which will aid understanding of the course topics.

## 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, unless an academic concession is granted.

### 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>. 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/project 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*

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another program/website for an in-class activity. Feedback from students indicates that personal devices are the number one distraction from effective learning and participation in the online learning environment.

### *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>.

### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

### *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.

### *Academic Freedom and Students Studying from Outside Canada*

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>

### **COPYRIGHT**

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 and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

### **ACKNOWLEDGEMENT**

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

### **ONLINE TEACHING TOOL & REQUIREMENTS**

This course will be taught using Zoom for synchronous classes and office hours. For this course, you are encouraged to use a Zoom account during synchronous classes and office hours. To help replicate the

classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the “camera on” requirement must contact their instructors in advance of the first class to discuss options. As professional graduate students, students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual dress (at a minimum), and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

**COURSE SCHEDULE**

(Subject to change with class consultation)

Class	Mode of Delivery	Date	Topic	Readings or Activities	Assessments due
1	Synchronous Zoom Class	<p><u>China Standard Time</u>: Mar 4, 2023 from 8:00am to 2:30pm</p> <p><u>Vancouver Time</u>: Mar 3, 2023 from 4:00pm to 10:30pm</p>	<ul style="list-style-type: none"> <li>• Financial Assets and Markets, Law of One Price, Risk-Return Tradeoff</li> <li>• Time Value of Money, Risk Premium, Expectations/Beliefs</li> <li>• Economic Value, Valuation Methods and Drivers, Investment Management</li> <li>• <u>IPO Case Study</u>: Lululemon</li> </ul>	<p>lecture_1</p> <p>lecture_2</p> <p>lecture_3</p>	
2	Synchronous Zoom Class	<p><u>China Standard Time</u>: Mar 5, 2023 from 8:00am to 2:30pm</p> <p><u>Vancouver Time</u>: Mar 4, 2023 from 4:00pm to 10:30pm</p>	<ul style="list-style-type: none"> <li>• Information and Financial Markets, Market Efficiency, Event Study Methodology</li> <li>• Fixed income securities: Bond Pricing, Monetary Policy, Default Risk, Interest Rate Risk Management</li> <li>• Term Structure of Interest Rates, Yield Curve</li> </ul>	<p>lecture_4</p> <p>lecture_5</p> <p>lecture_6</p>	

3	Synchronous Zoom Class	<p><u>China Standard Time:</u> Mar 11, 2023 from 8:00am to 2:30pm</p> <p><u>Vancouver Time:</u> Mar 10, 2023 from 4:00pm to 10:30pm</p>	<ul style="list-style-type: none"> <li>• <u>Entrepreneurship and Private Equity Case Study:</u> “eXp Realty and the Virbela platform,” Jan Bena, Prithwiraj Choudhury, David Rowat, and Emma Salomon, December 2020, Harvard Business School Case 621-068.</li> <li>• Topics in Capital Budgeting</li> </ul>	<p>Pre-read the case study available on the course page</p> <p>lecture_7</p>	
	Assignment and Final Project Submission	<p><u>China Standard Time:</u> By Monday Mar 27, 4:00pm</p> <p><u>Vancouver Time:</u> By Sunday Mar 26, Midnight</p>			<p>Submit PS 1, PS 2, PS 3, &amp; PS 4</p> <p>Submit solutions to the final individual take-home project</p>