



TERRY College of Business, The University of GEORGIA

FINA4920 – Computers in Finance TR

S Y L L A B U S

Fall Semester 2007; Call-ID: 08000; Time and Place: **Tue/Thu 8:00 – 9:15, Sanford 109**

Instructor: Matt BLASKO, Ph.D. ; Brooks Hall 424, mblasko@uga.edu

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

A. COURSE FOCUS, OBJECTIVES, and STRUCTURE

The objective of this course is to help students develop financial modelling skills with Microsoft Excel. Students will learn to apply the concepts they have learned in the introductory courses into a spreadsheet model framework. The topics include valuation of cash flows, equity and fixed income securities, retirement planning, graphing in Excel, project cash flows calculation, capital budgeting and NPV analysis, sensitivity analysis, financial ratio analysis, monte carlo simulations, cost of equity and beta estimation, portfolio optimization. The course is application oriented and will be helpful for a variety of jobs in corporate finance and banking.

Students are encouraged to ask questions and introduce current topics from business periodicals such as the *Wall Street Journal*, *Business Week*, *The Economist*.

B. PREREQUISITES

Students are expected to have FINA3000, MIST2090. I expect you to have some basic competency with computers, and know the basic statistical concepts, such as distributions, means, medians, covariances, correlation, standard deviation.

C. INSTRUCTOR CONTACT

Office Hours: **Mon: 3-5; Tue and Thu: 10-12**, and by appointment. Brooks Hall 424.

Students are encouraged to stop by during office hours and ask questions at the beginning or the end of each class session. You may contact me at mblasko@uga.edu. The response time is very short – usually less than 24 hours. In case of an emergency, call my office: 706-542-2920. Also, you are expected to review the announcements on the course website.

D. COURSE WEBSITE

The official course website is: <http://mblasko.myweb.uga.edu/fina4920tr/>

Students are expected to check the website frequently and read all announcements posted! It is the official source of information about the class, homework, exam, grades. An outline of lectures (concepts) may be posted on this website.

E. REQUIREMENT:

- (a) **Final Exam** : 25% ;
- (b) **Quizzes (two)** : 15% ;
- (c) **Individual homeworks (three)** : 10% each ;
- (d) **Class participation** : 15%.

F. COURSE GRADES:

Your course grade (A thru F, W) will be consistent with the official UGA grading scale and will be determined by the total course points (0-100) calculated as the weighted average of individual grade points. Approximate scale: A [94-100), A- [90-94), B+ [87-90), B [83-87), B- [80-83), C+ [77-80), C [73-77), C- [70-73), D [60-70), F (0-60).

G. POLICIES:

Attendance is required for every class. It is not acceptable to come late to class. The class participation grade is for active class discussions and observations. If you have something to say, share it with everybody. Students are expected and encouraged to actively participate in class discussions. Extra bonus points possible for extraordinary contributions and observations. The final exam and quizzes will be administered at the assigned times only. You have to turn in assignments at their scheduled time. The missed requirement will carry a grade of zero. Exceptions to this policy are rare, though there is some flexibility in case of extraordinary events. You will not be allowed to "make-up" your grade/points with extra work. Any electronic devices (iPods, cell-phones,...) have to be stored in your bag. Any work done on the computer during the class-time has to be Excel or financial modeling related, no web-surfing or email-checking.

Academic Honesty. *All academic work must meet the standards contained in "A Culture of Honesty." All students are responsible to inform themselves about those standards before performing any academic work.* Honesty is a fundamental principle of academic, business and community life. Students are expected to demonstrate the highest degree of honesty in performing assigned work. If in doubt, consult the UGA academic code of honesty as spelled out in the Student Handbook. Academic honesty means performing all work without plagiarism, cheating, lying, giving or receiving unauthorized assistance. Examples of academic dishonesty include: a) using someone else's words, opinions, or ideas without giving proper credit to the source; b) copying or allowing another to copy answers during a quiz or exam; c) using unauthorized material to complete an assignment.

H. COURSE MATERIALS

(1) Textbook:

Required. Principles of Finance with Excel, by Simon Benninga. Oxford UP, ISBN: 0195301501.

(2) Financial calculator. Please have your financial calculator ready for class, and the final exam. It is your responsibility to know how your calculator works. The least expensive calculator that does the net present value analysis is fine. My favorite is the Texas Instruments TI - BAII (any of its various versions).

K. CLASS SCHEDULE

Week	Date	Topic	Notes
1	Aug 16	Introduction to the course, syllabus, expectations,	
2	Aug 21, 23	Introduction to Excel, Graphs and Charts, Excel functions, Data Tables,	Chapters 27, 28, 29, 30
3	Aug 28, 30	Working with Dates, Using Goal Seek, Solver Taxes, Accounting Statements, Cash management	Chapters 31, 32 Chapters, 2, 3, 4
4	Sep 4, 6	Capital Budgeting and Valuation - NPV, IRR	Chapters 5 - 10
5	Sep 11, 13	Capital Budgeting and Valuation	Chapters 5 - 10
6	Sep 18, 20	Capital Budgeting and Valuation	Chapters 5 - 10
7	Sep 25, 27	Capital Budgeting and Valuation	Chapters 5 - 10
8	Oct 2, 4	Portfolio Analysis and CAPM - correlations, averages, betas, portfolio optimization	Chapters 11 - 16
9	Oct 9, 11	Portfolio Analysis and CAPM	Chapters 11 - 16
10	Oct 16, 18	Portfolio Analysis and CAPM	Chapters 11 - 16
11	Oct 23, Oct 25	Portfolio Analysis and CAPM No class, Fall Break, ☺	Chapters 11 - 16
12	Oct 30 Nov 1	Valuing Securities, Bond and Stock Valuation - bond pricing, yield curves, duration	Chapters, 17, 18, 19
13	Nov 6, 8	Valuing Securities, Bond and Stock Valuation	Chapters, 17, 18, 19
14	Nov 13, 15	Options and Option Valuation	Chapters 23 - 26
15	Nov 20 Nov 22	TBD No class, Thanksgiving Holiday, ☺	
16	Nov 27, 29	Options and Option Valuation	Chapters 23 - 26
17	Dec 4 Dec 6	No class; Fri class schedule in effect Review session	
	Tue, Dec 11	FINAL EXAM, 8:00 - 11:00 am	

NOTE: As every class has its own unique dynamics, the course schedule is only tentative and the instructor may announce changes as necessary. Therefore you need to watch for announcements on the course website.