

FINA 4920: SPECIAL TOPICS IN FINANCE (COMPUTERS IN FINANCE)

Fall 2007

Section 31-289 Tuesday, Thursday 9:30 am -10:45 am (Caldwell 306)

Section 01-290 Tuesday, Thursday 11:00 am -12:15 pm (Caldwell 305)

Professor: Dr. Chris Pope

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Office Hours: Monday and Wednesday, 1-2 pm.

Course Objective:

The main objective for the course is to learn how Excel can solve a variety of financial and other problems. The second objective for the course is to help you develop your writing skills.

Required Materials:

Principles of Finance with Excel, by Simon Benninga. Oxford Press, 2006.

Pre-requisites:

The only required class is FINA 3000, but additional finance classes will help you. I will assume that you have a working knowledge of a variety of finance topics.

Course Grading:

Activities/In Class Exercises:	10%
Quizzes:	20%
Homework/Projects	40%
Mid-Term (October 4 th)	20%
Final Exam:	10%

Activities:

In-class activities will be assigned almost every class meeting. Activities will be posted to the class Blackboard page in advance of our meeting. The activity will usually require you to build a spreadsheet and answer some assigned questions. I will occasionally collect assignments. The activity grade will be based on attendance and participation for the assigned activities.

Quizzes:

Quizzes will be given about every two to three weeks. They will be an extension on in-class activities. The quiz will be some financial problem that requires Excel for the solution. Quiz questions will require you to understand the mechanics of Excel as well as the finance concept being covered. We will have 5-6 quizzes this semester.

Homeworks and Projects:

The largest grading component for the course comes from homework and projects. Homework sets will be problems from the textbook, while projects will be more in depth problems that require additional analysis. Projects will require the student to write up their analysis of a problem in a memorandum. Some homeworks and projects will be group-based.

Final Exam:

The class final will be cumulative. The format of the final will be to solve a case problem using Excel.

Attendance:

You are responsible for all material covered in class. To make up a quiz, you must provide a note from a physician regarding your absence. Missing class for other reasons (interviews, weddings, road trips to UGA games) will not be excused.

Honor Code:

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. I take the Honor Code very seriously. I expect all work on projects and quizzes to be your own unless otherwise stated by me. I encourage working with each other for the in-class activities, but all other work must be individual effort.

Topic Coverage for the Course:

Retirement planning, Mortgage Re-financing, Graphing in Excel, Cost of Equity, Beta, WACC, Cost of Debt, Financial Forecasting, Project Cash Flows, Sales Forecasts, Inventory Management, Work Scheduling, Portfolio Optimization, Financial Ratio Analysis, Yield Curve Dynamics, Real Options, Binomial Option Pricing, Project Selection Methods, Repeatable Projects, Interest Rate Parity, and Monte Carlo Simulations. (plus a few more.....)

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

TENTATIVE SCHEDULE FOR THE COURSE:

Week	TOPICS	Activities	CHAPTERS	Assignments/Deliverables
August 21	Time Value	1,2,3,4	5 and 6	Notecard; HW #1
August 28	NPV, Graphing, Solver	5,6,7	6 and 7	Quiz #1, Project #1
September 4	Capital Budgeting	9,10	7	HW #2
September 11	Capital Budgeting II	11,13,35	8	Quiz #2, HW #3
September 18	Risk I	8, 12	12	Project #2
September 25	Risk II	15, 19, 36	13	HW #4
October 2	CAPM	36, 16	16	MIDTERM, HW #5
October 9	Valuation, BONDS	21, 22	18	HW #6
October 16	BONDS II	23	18	Quiz #3, Project #3
October 23	STOCKS	31	19	HW #7
October 30	Break even, forecast	37,20, 24	9 and 10	Quiz #4
November 6	Forecast	25, 26	9 and 10	HW #8
November 13	Capital Structure	33, 37	20	Project #4
November 20	Monte Carlo Sim.	14 or 18, Project 5		HW #9
November 27	OPTIONS	37, 44	23	Quiz #5
December 4	Special Topics	28, 29		Project #6