

Computers in Finance

FINA 4920 (Call #92-110) - Summer 2008
Terry College of Business, University of Georgia
Monday-Friday, 1:00-3:15 PM, Caldwell 305

Instructor

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Office Hours: Monday-Thursday - 3:30-4:30 PM

Course Description/Objective

Applying computers to business applications especially using Excel in finance related work.
The objective of the course is to help students learn how to use spreadsheets (Microsoft Excel) to solve a variety of corporate finance and investment problems. The course is real world oriented and is expected to be useful training for a variety of jobs in banking and finance.

Prerequisites

FINA 3000 [Financial Management] and (MSIT 3000 or STAT 3000)

I will expect you to know what you learned in introductory finance. If this is only your second finance course, I expect it might be a little challenging but it will help you with investments and corporate finance.

Course Material/Books

Principles of Finance with Excel, by Simon Benninga (ISBN: 0-19-530150-1), Oxford University Press, 2006.

WebCt

WebCt will be used for posting assignments, solutions, and course grades. Please familiarize yourself with it if you have not used it in the past.

Office Hours/Visits

My office hours will be Monday to Thursday from 3:30-4:45pm. I encourage you to make use of this time if you have any questions concerning the class.

Expectations

The importance of this class cannot be overstated. If you expect to make a career in the finance industry, you must know how to effectively use spreadsheets. That being said, we will be covering a full semester's worth of material during the next nineteen days. It is imperative that you keep up.

Course Grading

I may elect to slightly relax these breakdowns, at my discretion, after the final course numeric scores are determined but I will not make them more stringent.

| Letter Grade | Numeric Grade |
|---------------------|----------------------|
| A | 94-100 |
| A- | 90-93.99 |
| B+ | 87-89.99 |
| B | 84-86.99 |
| B- | 80-83.99 |
| C+ | 77-79.99 |
| C | 74-76.99 |
| C- | 70-73.99 |
| D | 50-69.99 |
| F | 0-49.99 |

Course Assignments/Grade Breakdown

| | |
|---------------------------------------|-----|
| Attendance/Participation/Computer Use | 10% |
| Daily Labs | 30% |
| Problem Sets/Projects (3) | 30% |
| Final Exam (7/2/08) | 30% |

Attendance/Participation/Computer Use (10%)

Come to class, participate, and use the computer properly (no surfing, etc.) and you will get the full 10%.

Daily Labs (30%)

Each day after the lecture, you will be assigned a lab project. The lab project will be done in groups of 2 or 3 and will be due by the end of the class. There will be 18 daily labs. 15 will be graded at 2% each, so you may drop three.

Problem Sets/Projects (30%)

Projects are similar to traditional homework assignments from your other courses. Projects will require you to solve financial problems in Excel and may require you to write up your results using Microsoft Word. There will be three projects.

Final Exam (30%)

The class final will be cumulative and is scheduled for Wednesday, July 2nd at 1pm. Be sure and mark your calendars!

Tentative Class Schedule

| Date | Session | Topic Covered | Book |
|-------------|----------------|---|-------------|
| 06/05 (Thu) | 1 | Syllabus - Into to Excel | Ch 27 |
| | 2 | Lab | |
| 06/06 (Fri) | 3 | Cash Management | Ch 04 |
| | 4 | Lab | |
| 06/09 (Mon) | 5 | Time Value of Money | Ch 05, 06 |
| | 6 | Lab | |
| 06/10 (Tue) | 7 | Capital Budgeting | Ch 07, 08 |
| | 8 | Lab | |
| 06/11 (Wed) | 9 | Discount Rates | Ch 09 |
| | 10 | Lab | |
| 06/12 (Thu) | 11 | Discounted Cash Flow Valuation | Ch 10 |
| | 12 | Lab | |
| 06/13 (Fri) | 13 | Discounted Cash Flow Valuation | Ch 10 |
| | 14 | Lab | |
| 06/16 (Mon) | 15 | Risk and Portfolio Statistics | Ch 11, 12 |
| | 16 | Lab | |
| 06/17 (Tue) | 17 | Portfolio Statistics and Regression | Ch 12 |
| | 18 | Lab | |
| 06/18 (Wed) | 19 | Spreadsheets in Google Docs | |
| | 20 | Lab | |
| 06/19 (Thu) | 21 | Portfolio Frontier and Minimum Variance Portfolio | Ch 13 |
| | 22 | Lab | |
| 06/20 (Fri) | 23 | CAPM and the Security Market Line | Ch 14 |
| | 24 | Lab | |
| 06/23 (Mon) | 25 | Investment Performance and Cost of Capital | Ch 15, 16 |
| | 26 | Lab | |
| 06/24 (Tue) | 27 | Efficient Markets | Ch 17 |
| | 28 | Lab | |
| 06/25 (Wed) | 29 | Bond Valuation | Ch 18 |
| | 30 | Lab | |
| 06/26 (Thu) | 31 | Stock Valuation | Ch 19 |
| | 32 | Lab | |
| 06/27 (Fri) | 33 | Capital Structure | Ch 20 |
| | 34 | Lab | |
| 06/30 (Mon) | 35 | Intro to Options | Ch 23 |
| | 36 | Lab | |
| 07/01 (Tue) | 37 | Black-Scholes | Ch 25 |
| | 38 | Final Exam Review | |
| 07/02 (Wed) | | FINAL EXAM | |

Policies

Attendance/Assignments/Exams

As future business leaders, you will be expected to attend meetings and meet important deadlines. Excuses such as “I just forgot”, “I stayed out too late last night”, or “I’m just not ready” will simply not cut it in the business world. In the same vein, I expect you to attend class, submit projects timely, and take exams at the scheduled time.

However, if you do have an extreme circumstance (medical or family emergencies) where you will have to miss an exam or submit a project late. Let me know **in advance** and I will work something out with you.

Computer/Internet Use

As your instructor, I expect you to listen and pay attention in class. Checking email and surfing the web is not paying attention. I know many of you are smart and can do many things at one time, but you will not be practicing your multi-tasking in this class. Violations of this policy will be handled severely.

Academic Honesty

All academic work must meet the standards contained in “A Culture of Honesty.” You can find the policy at: [<http://www.uga.edu/ovpi/honesty/ah.pdf>]. All students are responsible to inform themselves about those standards before performing any academic work.

I fully subscribe to the University’s policies on academic honesty. I take my teaching responsibilities very seriously, and I expect every student to do likewise. I have zero tolerance for breaches of academic integrity, and I will report all suspected offenses.

Unless otherwise specified, I expect all work on projects and assignments to be your own. While I strongly encourage open and frank discussion in class, and collaboration on in-class activities, all other assigned work must be done individually.