

# Computers in Finance

FINA 4920 (Call #94-358) - Spring 2009

Terry College of Business, University of Georgia

Tuesday and Thursday, 2:00 AM - 3:15 PM, Sanford 109

## Instructor

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Office Hours: Tuesday and Thursday - 12:45-1:45 PM and by Appointment

## 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 Tuesday and Thursday from 12:45-1:45PM. 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.

**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.

| <b>Letter Grade</b> | <b>Numeric Grade</b> |
|---------------------|----------------------|
| 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 | 5%  |
| Pop Quizzes                           | 4%  |
| Problem Sets/Projects (6)             | 36% |
| MidTerm Exam                          | 25% |
| Final Exam (5/5/09)                   | 30% |

**Attendance/Participation/Computer Use (5%)**

Come to class, participate, and use the computer properly (no surfing, etc.) and you will get the full 5%.

**Pop Quizzes (4%)**

During the semester, we will have several (at least 6) pop quizzes. If you are absent (and not excused), you will not be allowed to make up the quiz; however, I will allow you to drop your two lowest grades.

**Problem Sets/Projects (36%)**

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 six projects. Projects will be due at the beginning of class. Late projects **will not** be accepted.

**MidTerm Exam (25%)**

The midterm exam is tentatively scheduled for Tuesday, March 3rd.

**Final Exam (30%)**

The class final will be cumulative and is scheduled for Tuesday, May 5th at 3:30pm. Be sure and mark your calendars!

## Tentative Class Schedule

| Date        | Session | Topic Covered                                     | Textbook  | Projects          |
|-------------|---------|---|-----------|-------------------|
| 01/08 (Thu) | 1       | Syllabus - Intro to Excel                         | Ch 27     |                   |
| 01/13 (Tue) | 2       | Graphs and Charts                                 | Ch 28     |                   |
| 01/15 (Thu) | 3       | Advanced Graphs and Charts                        |           |                   |
| 01/20 (Tue) | 4       | Cash Management                                   | Ch 04     |                   |
| 01/22 (Thu) | 5       | Cash Management - Continued                       |           | #1 Posted         |
| 01/27 (Tue) | 6       | Time Value of Money                               | Ch 05, 06 |                   |
| 01/29 (Thu) | 7       | Capital Budgeting                                 | Ch 07, 08 | #1 Due            |
| 02/03 (Tue) | 8       | Logical and Conditional Functions                 |           |                   |
| 02/05 (Thu) | 9       | Discount Rates                                    | Ch 09     | #2 Posted         |
| 02/10 (Tue) | 10      | Discounted Cash Flow Valuation                    | Ch 10     |                   |
| 02/12 (Thu) | 11      | Discounted Cash Flow Valuation - continued        |           | #2 Due, #3 Posted |
| 02/17 (Tue) | 12      | Importing and Exporting Data                      |           |                   |
| 02/19 (Thu) | 13      | Sorting, Data Filters, and Conditional Formatting |           | #3 Due            |
| 02/24 (Tue) | 14      | Risk and Portfolio Statistics                     | Ch 11     |                   |
| 02/26 (Thu) | 15      | Math and Text Functions, Pivot Tables             |           |                   |
| 03/03 (Tue) | 16      | <b>MIDTERM EXAM</b>                               |           |                   |
| 03/05 (Thu) | 17      | Data Validation, Macros and Buttons               |           |                   |
| 03/10 (Tue) |         | NO CLASS - Spring Break                           |           |                   |
| 03/12 (Thu) |         | NO CLASS - Spring Break                           |           |                   |
| 03/17 (Tue) | 18      | Basic Macro Programming                           |           |                   |
| 03/19 (Thu) | 19      | Portfolio Statistics and Regression               | Ch 12     |                   |
| 03/24 (Tue) | 20      | The Efficient Frontier                            | Ch 13     | #4 Posted         |
| 03/26 (Thu) | 21      | CAPM and the Security Market Line                 | Ch 14     |                   |
| 03/31 (Tue) | 22      | CAPM - continued                                  |           | #4 Due            |
| 04/02 (Thu) | 23      | CAPM and Investment Performance                   | Ch 15     |                   |
| 04/07 (Tue) | 24      | CAPM and the Cost of Capital                      | Ch 16     | #5 Posted         |
| 04/09 (Thu) | 25      | Spreadsheets in Google Docs                       |           |                   |
| 04/14 (Tue) | 26      | Efficient Markets                                 | Ch 17     | #5 Due            |
| 04/16 (Thu) | 27      | Bond and Stock Valuation                          | Ch 18, 19 |                   |
| 04/21 (Tue) | 28      | Options - An Introduction                         |           | #6 Posted         |
| 04/23 (Thu) | 29      | Black-Scholes                                     | Ch 23     |                   |
| 04/28 (Tue) | 30      | Review  | Ch 25     | #6 Due            |
| 04/30 (Thu) |         | Monday Class Schedule                             |           |                   |
| 05/05 (Tue) |         | <b>FINAL EXAM 3:30-6:30 PM</b>                    |           |                   |

Other Topics (As Time Allows)

## 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.