

FINANCE 500MSP (Introduction to Finance) Spring 2026

Tuesdays/Thursdays @ 3:30–4:50 in 1025 BIF

IMPORTANT: Your grade totals, averages, and class ranking displayed in the Canvas gradebook are MEANINGLESS and must be IGNORED. Do NOT rely on them when calculating your course average. Instead, calculate it manually using the rules described in this syllabus.

Instructor: Matt Marcinkowski

Email: mrcnkwsk@illinois.edu

Office Hours:

Tuesdays/Thursdays @ 2:00–3:00 p.m. in the BIF atrium*

* Office hours start in Week 2. If there is an event in the atrium, look for me in the seating area next to the Deloitte Auditorium.

Course Objectives

Introduction to financial management and decision making. A customized course designed to provide a survey of finance for graduate students who do not necessarily have previous training in the discipline.

Tentative List of Topics

1. Introduction

- a. Measures of return
- b. Time value of money
- c. Basic bond valuation
- d. Duration and convexity

2. Selected Topics in Investments and Portfolio Theory

- a. Two-asset portfolio
- b. Markowitz optimization with many assets
- c. Capital Asset Pricing Model
- d. Refinements, critiques, and implementation
- e. Derivatives

3. Selected Topics in Corporate Finance

- a. Review of financial statements and ratio analysis
- b. Cost of capital
- c. Project evaluation and capital budgeting
- d. Real options
- e. Introduction to corporate financing
- f. Capital structure
- g. Payout policy
- h. Corporate governance

Important Dates

Early March – Midterm Exam I*

March 17 and 19, 2026 – Spring Break (no class)

May 5, 2026 – Midterm Exam II (during our last class meeting)

TBD – Final Exam**

* I intend to schedule Midterm Exam I to minimize conflicts with exams in your core courses, particularly in econometrics. I will consider your input, but the decision will be mine. I will announce the exact exam date at least one week in advance.

** The final exam will be due at the end of the final exam period as scheduled by the Registrar. The official time will be published on the Course Explorer on March 11.

Required Materials

- The “FIN500 MSP” Canvas page and its contents
- Any readings specifically designated as required (typically available online)
- A Zoom client installed on your computer and authenticated using university credentials through illinois.zoom.us (in the unlikely event it is necessary to move a lecture online)
- A TI BA II Plus Financial calculator (including the Professional version). No other calculators will be supported. However, I also permit HP 12C calculators on exams if you are already familiar with it. You should obtain an approved financial calculator as soon as possible. Before you do, you may install an emulator on your phone. Keep in mind, however, that you will NOT be permitted to use emulators (or phones) on exams. You must have access to a calculator or emulator by Tuesday, January 27, 2026, at the latest.
- A charged laptop computer with working wireless connectivity (required in every class)

Optional Material

- Zvi Bodie, Alex Kane, Alan Marcus; Investments, McGraw-Hill Irwin, any edition.

I will not follow any textbook in this class. Whenever there is an apparent conflict or discrepancy between your textbook and the lecture notes, the lecture notes will prevail.

Final Grade Components

- Midterm Exam I (30%) (in-class, date TBA)
- Midterm Exam II (30%) (in-class, scheduled for May 6, 2026)
- Final Exam (10%)*
- At least 4 Quizzes (15%)**#
- At least 2 Homework Assignments (15%)***

* The final exam will be take-home. The submission mechanism (paper or online) will be announced later.

** You will be asked to work on problems/cases in class. Some, but not all, of these exercises will be collected for credit either electronically or on paper. At least 4 graded in-class problem sets will be given without prior announcement. The two lowest scores will be dropped, and the arithmetic average of the remaining scores will be used to establish the quiz component of your course total. There will be no make-ups for in-class exercises you have missed (even if you have a valid excuse for your absence). We will drop the two lowest scores to allow for emergencies.

There may be bonus quizzes given during the semester.

*** There will be at least 2 homework assignments. They may be either group or individual (TBA).

Grading Outline

Students must earn a passing score (60%) on the exam component (weighted average of the two midterms and the final exam) in order to receive a passing grade in the course. The standard grading scale (with +/- grades) will be used. An overall course average of 93% or higher will guarantee a final grade of A. A grade of A+ may (or may not) be awarded to the best performing 1-2 students in your section. In-class quizzes will not be announced in advance and must be submitted by each student individually. There will be no make-ups for quizzes, but the two lowest quiz scores will not be counted toward the final average.

Classroom Policies

I am particularly intolerant of lateness. If you are more than 5 minutes late, do NOT ENTER the classroom. If you believe that you will not be able to arrive on time on a regular basis, please discuss it with me in advance. If you are late due to exceptional circumstances, email me about it before class. It is common courtesy that phones not be used while class is in session. No calls, texts, web visits, etc. I require all phones to be turned off and stored away during any test, quiz, or other graded work. Violation of this policy will result in a score of zero on the assignment and possible academic integrity charges.

Office Hours and Email Policy

As a matter of policy, I will refuse to review lecture material with students who have not attended class. It is your responsibility to obtain the lecture notes from colleagues and to ensure you understand the material. If you have an ongoing issue that causes you to miss

lectures, please discuss it with me before it begins to affect your performance in the course.

Do not rely on email for emergency communications - it may take me up to 2 business days to respond. While I will attempt to reply to emails sent on weekends, you should not count on hearing back from me before Monday afternoon. Certain issues are extremely difficult or time-consuming to address via email; I will ask you to meet me in person if your message falls into this category. Please email me only from your @illinois.edu account - I will not read or reply to messages originating from non-university accounts.

Grade Appeals

Assessment scores are not subject to negotiation or appeal except to address grading or clerical errors. You must contact me within 7 calendar days from the time the grade is posted to report any problems. No appeals will be considered once this period has passed. Moreover, all grading problems must be reported by 5:00 p.m. on the last day of instruction.

Exam Makeup Policies

There will be no make-ups for the midterms. If you miss a midterm due to an excused absence, its weight will be shifted to the other midterm (which will then be worth 60% instead of 30%). We drop the two lowest quiz scores as an accommodation for minor emergencies. If you miss more than two quizzes, I will prorate the remaining scores if and only if all of your absences have been excused. There should be no need for make-ups or late submissions for homework given the amount of time you will have to complete it. If you experience a prolonged, serious illness, or other major emergency please contact me. I may be able to offer an extension if the circumstances warrant.

Lecture Notes and Materials

Please do not assume these are complete, as we will cover additional topics and work through examples in class. You are responsible for everything discussed in class even if it is not included in the assigned readings, practice problem sets, or homework assignments. If the notes are not accessible on Canvas on the day of class, please email me.

Video Recording Policies

Lectures will not be recorded.

Copyright/Recording and Sharing of Class Materials

The contents of this syllabus, class materials, lectures, and any course pack are protected under the copyright laws of the United States. They are intended for the private use of enrolled students and may not be reproduced, shared, posted online, or made available to others in any way without the express written permission of the copyright holder. While not a copyright violation, you must not share your answers to homework or exam questions with anyone at any time, including after the semester has ended. Doing so will be considered a violation of academic integrity.

Academic Integrity

If you engage in an act of academic dishonesty, you become liable to severe disciplinary action. Such acts include cheating; fabrication or invention of information or citations; helping or attempting to help others commit academic infractions; plagiarism; bribes, favors, or threats; academic interference; computer-related infractions; unauthorized use of university resources; sale of class materials or notes; and failure to comply with research regulations. Section 1, Part 4 of the Student Code provides complete details of rules governing academic integrity for all students. You are responsible for knowing and abiding by these rules. Giving or receiving assistance on graded work intended as individual effort will result in a score of zero for the work, along with other possible consequences. The Code is available at: <https://studentcode.illinois.edu/>. Violation of the Academic Integrity section of the Student Code may result in dismissal from the University.

AI use

I do not prohibit the use of AI in any component of this course except for the in-class assessments (midterms and quizzes). In fact, I consider it a useful study tool if used responsibly. You should never trust AI blindly and are responsible for verifying any output it produces. If you copy and paste AI responses and they contain errors or hallucinations, do not expect to receive any partial credit. Keep in mind that you will not be permitted to use AI on in-class assessments.

Students with Disabilities

Please consult <https://dres.illinois.edu/accommodations/what-are-accommodations/> and let me know immediately if you qualify for special accommodations on timed, graded work.