



Welcome



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Welcome

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Contact information

Instructor: Matt Marcinkowski

e-mail: mrcnkws@illinois.edu*

Office hours: Tuesdays and Thursdays, 2:15-3:15pm CST on Zoom** and by appointment***

Zoom link:

Meeting ID:

Passcode:

* On weekdays I usually reply to e-mail once a day, typically late in the evening. Sometimes, I may take up to 48 hours to write back to you. If you have not heard back from me in more than 2 days, please write me again as I have probably overlooked your original message. Also, check to make sure you have e-mailed me from your @illinois.edu account. Per course policy, I will ignore all e-mails from non-university e-mail accounts. You may e-mail me on weekends, but there are no guarantees I will respond before Monday.

This schedule may be modified as necessary. Please, check Compass announcement for additional information about moved/canceled/extra office hours. **The schedule is likely to change in the second half of the semester when I begin teaching an additional course. The office hours are not recorded. Since personal matters sometimes arise, I use a waiting room on Zoom. Please, be patient.

*** Please, contact me by e-mail or talk to me before/after class if you need to see me outside the regularly scheduled office hours. Make sure to let me know what your availability is. You must contact me at least 24-48 hours prior to your desired meeting time.



Lecture Zoom meetings

The Zoom link for our lectures is:

Should you ever require to enter the meeting ID manually:

Meeting ID:

Password:

IMPORTANT: You must log on to Zoom through illinois.zoom.us and then authenticate using your NetID/password/2FA. When you start the Zoom client, choose "Sign In with SSO" and follow the instructions. You will NOT be able to join the lecture Zoom meeting if you don't authenticate with your NetID first.

- All lectures will be recorded and the videos posted on Compass. There is a delay, sometimes a substantial one, before the videos are ready on Media Space, so do not expect them to appear immediately. Most of the time they will be posted the day after your lecture.
- From time to time Media Space generates a blank video. This is extremely infrequent (i.e. it may or may not happen once or twice during the semester), but please understand I can't guarantee access to every single recording. You will always be given access to the lecture slides though.
- If possible, please keep your webcams enabled during class. This is NOT required for lectures, but it is strongly recommended. You may use virtual backgrounds.
- Please, speak up when you have questions or want to comment on anything. I like being interrupted and you should do so when needed. Zoom chat is distracting and I can't pay attention to it all the time. If you use it to ask question, expect a delay (perhaps a very long one) before you get your answer. If you see a chat question/comment, please do me a favor and alert me to it verbally.



Syllabus (1): Course description

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 disciplines.

Tentative* list of topics:

- I. Introduction:
 - a. Measures of return
 - b. Time value of money
 - c. Basic bond valuation
 - d. Duration & convexity
- II. Selected topics in investments and portfolio theory
 - a. 2-asset portfolio
 - b. Markowitz optimization with many assets
 - c. Capital Asset Pricing Model
 - d. Refinements, critiques & implementation.
 - e. Derivatives
- III. Selected topics in corporate finance
 - a. Review of financial statements & ratio analysis
 - b. Cost of capital
 - c. Project evaluation & capital budgeting
 - d. Real options
 - e. Introduction to corporate financing
 - f. Capital structure
 - g. Payout policy
 - h. Corporate governance

* Every semester of FIN500 is different. We end up devoting different amounts of time to various topics depending on interest and time constraints. It is unlikely we will cover every topic from the list above.

This is an introductory course. If you have previous background in finance, you may want to consider a more advanced course in a specific area, such as portfolio management, corporate finance, or derivatives, unless you are required to enroll in FIN500. While this course may help you

organize or refresh your knowledge, chances are you will not learn anything new.

LECTURE ATTENDANCE - IMPORTANT:

This is a synchronous course and your **regular attendance of the Zoom lectures** is expected. However, from time to time I may assign additional **readings and/or videos in lieu of live Zoom lectures**. I will inform you of that ahead of time.

I will keep attendance records as I am now required to inform both the program and the university if a student's attendance becomes irregular. **If a large time difference makes your attendance impossible, you must:**

1. Get in touch with me to explain the circumstances.
2. View the lecture recordings when they become available.
3. Timely submit all "quizzes" and homework assignments.

In such cases, I will interpret the failure to view lecture videos and/or to submit coursework as irregular attendance.

If you find yourself struggling in this course, I will help you in a meaningful way if you ask for my help. Please, contact me as soon as you realize you are falling behind as it will be very hard to catch up toward the end of the semester.



Syllabus (2): Important dates

March 2: Midterm Exam I*

April 13: Break/Non-instructional day

May 4: Midterm Exam II

Take-home final exam will be due on the date of your official final as determined by the Registrar (TBA).

* The date of your first midterm will likely change once I learn the date(s) of your econometrics tests. I will seek your input on this, but ultimately the decision is mine and it may not represent a Pareto improvement. You will learn the exact date of this test at least one calendar week in advance.



Syllabus (3): Required materials

Required Materials

- Lecture notes & other materials posted on FIN500 Compass webpage.*
- Any readings specifically designated as required (typically available on-line).
- TI BA II Plus Financial calculator (including the Platinum version).**
- MS Excel installed on your computer. All examples will be done on a PC. I will be unable to help you if you have a Mac.

* Do not assume that the lecture notes posted on Compass are either complete or correct. We will discuss topics & work on examples that do not appear in the notes. Moreover, you are responsible for any corrections made in class. I will assume you have access to your notes during the lectures.

** While a physical calculator is preferred, you may use an emulator on your cell phone or tablet. I do not recommend or endorse any particular piece of software. It is your responsibility to ensure the app is safe to use and performs the necessary calculations correctly and accurately. If in doubt,

please buy a calculator.



Syllabus (4): Optional materials

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1. Aswath Damodaran; Corporate Finance: Theory and Practice, John Wiley & Sons, Second Edition, 2001.
2. Zvi Bodie, Alex Kane, Allan Marcus; Investments, McGraw-Hill Irwin, any recent edition.
3. Any introductory, undergraduate-level corporate finance textbook.

Most of you should not buy any textbooks. If you are interested in the portfolio theory, (2) is a comprehensive yet accessible textbook you could find useful for future reference. Although not much fun to read, (1) is a dated but still very good corporate text. Neither of these, however, is necessary for you to succeed in this course. Should you find yourself struggling with the basics, you may benefit from (3), but please make sure to talk to me first. I will not follow any textbook in this class. Whenever there is an apparent conflict/discrepancy between your textbooks and the lecture notes, the lecture notes will prevail.



Syllabus (5): Final Grade Components

- 1) Midterm Exam I (20%)
- 2) Midterm Exam II (20%)
- 3) Take-home Final Exam (10%)
- 4) Quizzes (35%)*#
- 5) Homework assignments (15%)

* We will work on problems/examples in class. These problems will be the basis of "quizzes" to be submitted on Compass. You are expected to be able to complete these quizzes during class time and you should strive to do so. However, for the benefit of those students who are unable to attend due to a large time differences, the quizzes will come with extended due dates. There will be at least 5 quizzes, but I intend to give many more, perhaps one or more each week. 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 the quizzes you have missed (even if you have a valid excuse for your absence) and no late submissions. We drop two lowest scores to allow for emergencies.

There may be bonus quizzes given during the semester.

** There will be 2 or more assignments given during the semester. You will be asked to submit selected results on Compass.



Syllabus (6): Grading outline

Final grades will be assigned based on a curve to be established after the final exam has been graded and the course averages calculated. The standard grading scale (with +/- grades) will be used. Students must earn an average of at least 60% to receive a passing grade in the course. An overall course average of 93% or higher will guarantee a final grade of an A. 97% is the minimum course average to be considered for an A+, but no more than 10% of students registered in the course will receive an A+. There will be no make-ups or late submissions for quizzes, but the lowest two quiz scores will not be counted toward the final average. No late assignments will be accepted. If a student misses a midterm exam due to a documented illness or emergency, no make-up opportunities will be provided, but the score on the other midterm will be prorated accordingly. No grade-related complaints/appeals will be considered after seven business days had elapsed from the day when your graded work was returned (or after the last day of classes,

whichever is earlier). Grades are non-negotiable.



Syllabus (7): Students with Disabilities

Please consult:

<http://disability.illinois.edu/academic-support/accommodations/testing-accommodations>

and let me know **immediately** if you qualify for special accommodations on timed, graded work.



Syllabus (8): Academic Integrity

The University statement on your obligation to maintain academic integrity is:

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 citation in an academic endeavor; 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; failure to comply with research regulations. Part 4 of the Student Code gives 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 a graded work meant as individual effort will result in a score of zero for the work, along with other potential consequences, including possible dismissal from the University. Collaboration on group work with individuals who are not members of your group will be penalized in the same fashion. Exams are to be assumed to be closed-book unless announced otherwise. The Code is available on the web at: <http://www.admin.uiuc.edu/policy/code/>



Introductory lecture (Tue., Jan. 26)



Quiz 1

Availability: Item is hidden from students. It was last available on Feb 2, 2021 11:00 PM.

First-class survey



Module 1

Introduction to Time Value of Money



Module 2

TVM: Net Present Value, Internal Rate of Return, and MIRR