COURSE DETAIL

PRINCIPLES OF FINANCE
Country France
Host Institution Institut d'Etudes Politiques (Sciences Po)
Program(s) Sciences Po Paris
UCEAP Course Level Upper Division
UCEAP Subject Area(s) Economics Business Administration
UCEAP Course Number 109
UCEAP Course Suffix P
UCEAP Official Title PRINCIPLES OF FINANCE
UCEAP Transcript Title PRINCIPLES/FINANCE
UCEAP Quarter Units 4.50
UCEAP Semester Units

3.00

Course Description

This course provides an introduction to finance. The course starts with a brief discussion of the functions of financial systems, an overview of existing financial assets, financial intermediaries and markets, and an introduction to firm types and firms' financial statements. The first part of the course deals with the time value of money and its applications: understanding interest rates and valuing bonds. The second part addresses investment decisions by firms and explains the basics of project and firm valuation. The course then introduces the notions of risky assets, risky returns, and risk aversion and highlights the benefits of diversification. It presents the foundations of portfolio theory and the central model of equilibrium asset pricing, the Capital Asset Pricing Model, before highlighting some of their important applications. The last part of the course discusses the efficient market hypothesis and the contending theories of behavioral finance. Basic knowledge of probability and statistics is a prerequisite for the course.

Language(s) of Instruction
English

Host Institution Course Number
AECO 25A18

Host Institution Course Title
PRINCIPLES OF FINANCE

Host Institution Course Details
https://syllabus.sciencespo.fr/fr/?202210/214323

Host Institution Campus

Host Institution Faculty

Host Institution Degree
Seminar

Host Institution Department
Economics

Course Last Reviewed
2022-2023

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