

# 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%2F214323=>

### **Host Institution Campus**

### **Host Institution Faculty**

### **Host Institution Degree**

Seminar

**Host Institution Department**

Economics

**Course Last Reviewed**

2022-2023

[Print](#)