

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 Campus

Host Institution Faculty

Host Institution Degree

Seminar

Host Institution Department

Economics

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