

# **Foundations of Finance**

## Preliminary Syllabus

### Summer 2019

### FINC-UB.2.004

#### **Instructor**

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Office Hours: TBD

#### **Class Time and Location**

The class meets Mondays and Wednesdays 9.00am to 12.10pm.  
Room: TBD  
The first class is on 07/08/2019, the final exam is on 08/08/2019.

#### **Description of the Course**

This is a quantitative introduction to financial market structure and financial asset valuation. The main topics of the course are arbitrage, portfolio selection, equilibrium asset pricing, fixed income securities, and derivative pricing.

## Prerequisites

The course assumes no prior knowledge of finance. Students are expected to be comfortable with statistics, calculus, and microeconomics.

## Readings

There is no required book. Slides will be distributed in class and available on NYU Classes.

The following book may be useful, though not required:

“Essentials of Investments” by Zvi Bodie, Alex Kane, Alan J. Marcus, 11<sup>th</sup> edition (earlier editions can be used instead) [*BKM*]

## Grading and Examinations

Your final grade will be based on:

- Homework Assignments: 30%
- One Midterm Exam: 30%
- One Final Exam: 40%

**Students with Disabilities** If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) <http://www.nyu.edu/csd/> and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you need to submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

## NYU Classes

The class site is on NYU Classes at <https://newclasses.nyu.edu/>. This is the central location where all teaching materials are posted.

### Schedule (TENTATIVE!)

Class	Topic	Suggested Reading
1.	Financial Instruments Financial Markets	BKM 1.1-1.4 BKM 2.1-2.3, 3.2
2.	Time Value of Money Performance of Securities	RWJ 4 BKM 5.1, RWJ 5.1-5.2
3.	Portfolio Theory	BKM 6.1-6.4
4.	The Capital Asset Pricing Model	BKM 7.1
5.	Market Efficiency Arbitrage Midterm Review	BKM 10.1-10.2
6.	<b>Midterm</b> Equity Valuation	BKM 13.1-13.4
7.	Midterm Evaluation Fixed Income Securities	BKM 10.3-13.4
8.	Fixed Income Securities	BKM 10.6, 11.1-11.2
9.	Options	BKM 15.1-15.2
10.	Options Final Review	BKM 16.1-16.4
11.	<b>Final Exam</b>	