

Foundations of Financial Markets

Preliminary Syllabus

Summer 2019

FINC-UB.2.001

Instructor

Gil Nogueira

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Office hours: TBD

Class Time and Location

Schedule: Tuesdays and Thursdays 09:00am to 12:10pm, from May 28 to July 7

Room: TBD

Description of the Course

This is the first course in finance for most students, and it 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. To succeed in this class, you need to be comfortable with statistics, calculus, and microeconomics.

Readings

There is no required book. All required materials will be provided in <https://newclasses.nyu.edu/>. Interested students may use the following books as suggested readings:

- “Essentials of Investments” by Zvi Bodie, Alex Kane, Alan J. Marcus, 11th edition (BKM)
- “Essentials of Corporate Finance” by Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, 9th edition (RWJ)

Grading and Examinations

Your final grade will be based on:

- Homework Assignments: 25%
- Midterm: 35%
- 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 must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

Honor Code

This course follows the NYU Stern Code of Conduct.

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.	Midterm 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.	Final Exam	