

**THE WHARTON SCHOOL  
UNIVERSITY OF PENNSYLVANIA  
Finance 100H, Fall 2008**

<b>Professor Haluk Unal</b>  <b>Office Hours: W 11AM</b>  <a href="mailto:unal@wharton.upenn.edu">unal@wharton.upenn.edu</a>	<b>Course TAs</b>  <b>Benjamin Altman</b> <a href="mailto:raltman@wharton.upenn.edu">raltman@wharton.upenn.edu</a> <b>Najib Kassis</b> <a href="mailto:najib@wharton.upenn.edu">najib@wharton.upenn.edu</a> <b>Yexiang Tan</b> <a href="mailto:yexiang@wharton.upenn.edu">yexiang@wharton.upenn.edu</a>
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### **Course Description and Objectives**

The primary objective of this course is to introduce the students to the field of finance with emphasis on topics of corporate finance. The course also encourages an analytical approach to decision making. Concepts learned in Finance 100 form the foundation for subsequent finance courses, such as corporate finance, fixed income securities, investments, speculative markets, bank management, and real estate finance. The student will gain an appreciation of the role of financial markets and institutions in the economy as well as the responsibilities, concerns, and methods of analysis employed by the corporate financial manager.

### **Course Material**

- Textbook (“RWJ”): Corporate Finance, 8<sup>th</sup> Ed. (2008), by Ross, Westerfield, and Jaffe, published by McGraw-Hill. ISBN -13: 978-0-07-310590-1 and/or ISBN-10: 0-07-310590-2
- PowerPoint slides, Assignments, Practice Problems, and Sample Exams can be downloaded from the Course web page.

I will use power point presentation slides during the lecture. You are highly encouraged to download these slides prior to class and bring the relevant material to class. You can access these slides at the course web site.

I will augment these slides with additional notes and if necessary I will distribute these notes during the class.

### **Problem Sets**

There will be seven problem sets that you need to turn in **individually**. You will be rewarded full credit on the problem set if you have made a good-faith effort to answer **all** of the questions, and if you hand in the problem set **on time**.

## **Group Project: Living Case**

Course concepts and tools are applied to understand the financial side of a particular company. Each member of each group should be ready to present the group report on the dates the reports are due. There will be a class discussion on group reports.

## **Grading**

Course grades are based on

Project	10%
Homework	20%
Exam I	30%
Final Exam	40%

Please note that there will be no make-up exams except as required by university policy. The final exam is cumulative. You will be allowed one double-sided page (8 1/2x11) of notes for the midterm and two double-sided pages of notes for the final.

## **Re-grade**

All re-grade requests must be made in writing within one week of the day the exams are returned. Any exam submitted for re-grading of a question can be subjected to a complete re-grading.

## **Office Hours**

My office hours will be Wednesday morning hours by appointment. The course teaching assistants will also have office hours. Their schedule will be announced in class.

## **Course Outline**

Dates and sequence of lecture topics and the corresponding chapters in Ross, Westerfield, and Jaffee is provided. This outline may not be followed strictly and is subject to change during the course of the semester depending on the flow of the lectures.

### Course Schedule (Finance 100H)

Date	Topic	Deliverable	RWJ Chapt.
Wed 09/3	Overview and the NPV Rule		1, 4
Mon 09/08	Time Value of Money		4
Wed 09/10	Time Value of Money		4
Mon 09/15	Valuation of Discount and Coupon Bonds		5
Wed 09/17	Valuation of Discount and Coupon Bonds	PS 1 Due	5
Mon 09/22	Valuation of Equity		5
Wed 09/24	Valuation of Equity	PS 2 Due	5
Mon 09/29	Capital Budgeting (NPV vs. IRR)	App1: Yield Curve	6
Wed 10/01	Capital Budgeting (Incremental Cash Flow)	PS 3 Due	7
Mon 10/06	Capital Budgeting (Continued)		
Wed 10/08	<b>Common Midterm (6 PM to 8 PM)</b>		
<b>Mon 10/13</b>	<b>Fall Break</b>		
Wed 10/15	Capital Markets: Theory and Practice		9
Mon 10/20	Portfolio Analysis		10
Wed 10/22	Portfolio Analysis (Continued)		10
Mon 10/27	Capital Asset Pricing Model	App2: Returns	10
Wed 10/29	Capital Budgeting and Risk	PS 4	12
Mon 11/03	Market Efficiency		13
Wed 11/05	Corporate Financing Decisions	PS 5	15
Mon 11/10	Corporate Financing Decisions	App3: Beta	15
Wed 11/12	Corporate Financing Decisions		16
Mon 11/17	Options	PS 6 Due	22
Wed 11/19	Options		22
Mon 11/24	Options	App4: WAAC	22
<b>Wed 11/26</b>	<b>Thanksgiving Break</b>		
Mon 12/01	Valuation of Risky Debt	PS 7 Due	
Wed 12/03	Valuation of Risky Debt (Continued)		
Fri 12/12	<b>Common Final Exam (6PM – 8PM)</b>		