

FIN 550 – 8SE
Portfolio Management in Excel
Fall 2015
Monday 6:15 – 8:55 p.m., UC DP319

Instructor: Dr. Celine Hoe
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Office Hours: Monday 1:00 p.m. – 5:00 p.m. (Commerce Campus)
Tuesday & Wednesday 5:30 p.m. – 6:00 p.m. (UCD)

I. Course Description

A review of principles of corporate finance and investment management using Microsoft Excel. Particular emphasis will be given to the following concepts and tools: valuation, capital budgeting, cost of capital, pro forma financial statement analysis, and simulation methods including Monte Carlo and bootstrapping.

II. Prerequisite

FIN 510, Investment Seminar, or consent of instructor.

III. Learning Outcomes

Upon the completion of Financial Modeling in Excel, students will be able to develop an understanding of any financial relationship and build that into a model using the built-in functions of Excel. Moreover, they will learn how to apply their basic knowledge of financial, investing and statistical concepts into building spreadsheet models.

IV. Required Course Materials

1. Financial Modeling, 4th edition, Simon Benninga, 2014, MIT Press, ISBN: 978-0-262-02728-1

V. Policies and Procedures

The student is responsible for all material covered and all information disseminated when he/she misses a class or arrives late.

Email Use

The best way to communicate with me outside of class is by email. You should expect a response to your emails within 24 hours during regular business hours on weekdays. You have to send emails from your myLeo accounts.

Attendance

Daily attendance will be taken. Students are allowed to miss classes without penalty only for legitimate and verifiable reasons. You have to contact me before the class meeting time. Any other absences will deduct 1 point of your final grade (See the Grading Section).

Exams

There will be two exams, including one midterm exam and a Mandatory Final exam. The exams will be held in the class meeting time as scheduled.

There will be no makeup exam. If you have to miss an exam because of a legitimate and verifiable reason, you must contact me before the exam. Failing to do so or failing to provide documentation of the reason for absence from a medical doctor or TAMU-Commerce official will result in a grade of zero on the exam.

Grading

No assignment for extra credit will be given to any individual student. For grading purposes, the following weights will be assigned:

Class Attendance/Participation	7%
Projects	31%
Exam I	31%
Final examination	31%

and letter grades apply as follows:

90 – 100	A
80 - 89.99	B
70 - 79.99	C
60 - 69.99	D
0 - 59.99	F

VII. Progression of Course

This agenda is subject to change. The exact timing of lectures and content of exams will depend on the flow of the course. I EXPECT ALL STUDENTS TO HAVE READ ALL ASSIGNED MATERIAL BEFORE CLASS.

In addition to the chapters listed below, the following chapters under Section VI in Benninga called “Excel Techniques” are extremely beneficial: Chapter 31: Data Tables; Chapter 33: Excel Functions; Chapter 34: Array Functions; Chapter 35: Some Excel Hints

Week 1, September 2

Chapter 1 – Basic Financial Calculations

Week 2, September 9

Chapter 2 Corporate Valuation Overview

Week 3, September 16

Chapter 3 – Calculating the Weighted Average Cost of Capital

Week 4, September 23

Chapter 4 – Valuation Based on the Consolidated Statement of Cash Flows

Week 5, September 30

Chapter 5 – Pro Forma Financial Statement Modeling

Week 6, October 7

Chapter 6 – Building a Pro Forma Model: The Case of Caterpillar

Review Session for the Exam

Week 7, October 14

Exam 1: Ch 1, 2, 3, 4, 5, 6 (Class Meeting Time; In-Class Exam)

Week 8, October 21

Chapter 24 – Generating and Using Random Numbers

Week 9, October 28

Chapter 25– An Introduction to Monte Carlo Methods

Week 10, November 4

Chapter 26 – Simulating Stock Prices

Week 11, November 11

Chapter 27 – Monte Carlo Simulations for Investments

Week 12, November 18

Thanksgiving Week - Work on Projects

Week 13, December 2

Chapter 28 – Value at Risk

Week 14, December 9

Project Due

Review Session for the Final Exam

Week 15, December 16

Final Examination: Ch 24 - 28 (Class Meeting Time; In-Class Exam)

VIII. Other Information

You shall start studying early in the course, well before the test/exam, to give yourself a head start in learning the material. When you don't understand course material, ask questions either in class, during office hours or by email. You will not get good grades if you wait until a week or couple of days before the test/exam to start studying.

Syllabus Addendum

Academic Integrity/Ethics:

Integrity will be stressed throughout the course. Refer to Student's Guide Book located at for the University policy on academic honesty:

www.tamuc.edu/studentlife/guidebook.htm

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal of resource material.)"

Your grade is to reflect your work alone, and likewise, your classmates' grades are to reflect their work alone, and not yours. *Students found to have committed academic dishonesty will automatically receive a failing grade for the course and will be referred to Dean of the College of Business and Technology for possible expulsion from the program.* All students enrolled in this course are required to sign and submit an Academic Honesty Policy form during the first week of the course.

Nondiscrimination Statement:

A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

Students with Disabilities:

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services

Texas A&M University-Commerce

Gee Library

Room 132

Phone (903) 886-5150 or (903) 886-5835

Fax (903) 468-8148

StudentDisabilityServices@tamuc.edu

Drop Policy:

See University drop policy.