

**FIN 450 (01W) – Financial Modeling
Fall Semester, 2026**

Instructor: Dror Parnes, Ph.D.
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Office Hours: Thursday, 10 AM – 3 PM in BA302
Class Hours: Any time, online course
Course Dates: 8/20/2026 – 12/11/2026

Course Description and Objectives

This course aims to help undergraduate students learn to apply rigorous computational methods and implement them in the concepts of finance studied in introductory and other advanced finance courses, using Microsoft Excel. The course provides students with the opportunity to develop the skills needed to build a range of financial models. The course primarily focuses on models used for corporate valuation, capital budgeting, optimal portfolios, different investment techniques, bonds, options, regressions, and simulations. This course is a hands-on, assignments-based course that focuses on having students work with Excel to solve advanced computational problems across a broader range of finance concepts. Students will accordingly enhance their analytical problem-solving capabilities in common business environments.

Prerequisites

FIN 304, FIN 400, and a basic knowledge of Calculus, Statistics, and Accounting.

Three Recommended Textbooks

- (1) “*Financial Analysis with Microsoft Excel*,” 9th edition, by: Timothy R. Mayes and Todd M. Shank, South-Western Cengage Learning, 2019.
- (2) “*Principles of Finance with Microsoft Excel*,” by: Simon Benninga, 2nd Ed., Oxford University Press, Inc., 2006.
- (3) “*Financial Modeling*,” by: Simon Benninga, The MIT Press, 4th Ed., Cambridge, MA, 2014.

 We will not strictly follow these textbooks. There are topics in the course that somewhat deviate from the books. These textbooks are only recommended, not mandatory, and they can be used as support or enrichment sources. All you need for the course are my Excel files and my presentations, which contain numerous examples and ideas for building and solving different financial models.

Project and Grading

There is only one Excel-based assignment/project to submit (email it directly to Dror.Parnes@tamuc.edu) by the end of the semester. Nevertheless, this project contains many problems (most of which contain multiple sections). This is a very time-consuming project, and it requires many hours of work and careful attention to small details (computers neither forget nor forgive, so check and recheck both your steps and your final solutions). Please carefully follow the detailed instructions for this project. Your final grade depends on it.

In addition, it is *mandatory* to email me (Dror.Parnes@tamuc.edu) your incomplete projects about halfway through the semester (the specific date/deadline will be posted on D2L). *This task has no grade attached to it, yet it is a mandatory assignment.* Regardless of how much you accomplished in this Excel-based project or how many problems you have solved thus far, you must email it to me so I can provide you with feedback promptly. This is the only way for me to direct you in case you start to deviate from the goals of this course. This is also my way of providing you with extra help, but clearly, you can always email me with clarifying questions and requests throughout the course.

Course Content and Communication

All communications will take place through ETAMU official website (D2L).

Grading System

Your final grade will be based solely on the Excel-based assignment/project. I will then assign a final grade according to: 'A' (from 90 to 100), 'B' (from 80 to 90), 'C' (from 70 to 80), 'D' (from 60 to 70), 'F' (less than 60). *There will be no more optional bonus points or mercy assignments, so make sure to do your best on all the problems in the project, because every point counts!*

Attendance and General Behavior

This is an online course, and students must have high self-discipline. It is your responsibility to listen to the lectures, download/print the presentations and Excel spreadsheets, and take as many notes as you can. If you have additional questions, catch my attention right away (likely via email) or come to discuss it during office hours. Please do not wait until the last moment in this course, because the project is indeed very time-consuming.

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, Gee Library Room 132
Phone: (932) 886 – 5150 or (932) 886 – 5835
Email: Rebecca.Tuerk@tamuc.edu

Scholastic Dishonesty

Academic integrity is the cornerstone of the university. Any student, who attempts to gain an unfair advantage over other students by cheating, will fail the course and be reported to Texas A&M University-Commerce. “All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment” Student Handbook.

Nondiscrimination Statement

Texas A&M University-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.

Campus Concealed Carry

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to (<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

Counseling Center

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center’s crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel

AI Use Policy

Texas A&M University-Commerce acknowledges that there are legitimate uses of Artificial Intelligence, ChatBots, or other software that has the capacity to generate text, or suggest

replacements for text beyond individual words, as determined by the instructor of the course. Any use of such software must be documented. Any undocumented use of such software constitutes an instance of academic dishonesty (plagiarism).

Individual instructors may disallow entirely the use of such software for individual assignments or for the entire course. Students should be aware of such requirements and follow their instructors' guidelines. If no instructions are provided, the student should assume that the use of such software is disallowed. In any case, students are fully responsible for the content of any assignment they submit, regardless of whether they used an AI, in any way. This specifically includes cases in which the AI plagiarized another text or misrepresented sources.

13.99.99.R0.03 Undergraduate Academic Dishonesty

13.99.99.R0.10 Graduate Student Academic Dishonesty

Class Schedule

Class	Topic
1	Introduction, Explanations about the Excel Project
2	PV, FV, PMT, NPV, IRR, EFF in Excel
3	Corporate Valuation in Excel
4	Bonds in Excel
5	Portfolio Returns, the Efficient Frontier, CML, CAPM, Performance Measurements, Beta Calculations in Excel
6	Options, Put-Call Parity, Black-Scholes Formula in Excel
7	The Binomial Model for American Options in Excel
8	Market Efficiency with a Case Study in Excel
9	The Variance – Covariance Matrix in Excel
10	The Black – Litterman Approach to Portfolio Optimization in Excel
11	Various Distributions (Normal, Log-Normal, etc.) in Excel
12	Value at Risk (VaR), Bootstrap Method in Excel
13	Monte Carlo Simulations in Excel
14	Credit Risk, Regressions in Excel



The schedule is due to possible changes.

Good luck!