MSFE
Preparatory Finance Course
Monday, August 8 – Friday, August 12, 2016
9:00AM-2:20PM; BIF Room 3003

Instructor: Martin Widdicks
(Co-Designer of FIN 500, Director of MSF Program & Voted best Professor on the MSF Program in 2014 and 2015)

330 Wohlers Hall
Cost: $950 (Prepay via QuikPAY)

Course Description: The Finance Bootcamp consists of fourteen 80 minute classes combining lectures, worked examples, in class examples and discussion. The class is designed for students with no or limited exposure to fundamental areas of Finance such as: financial statements, bonds and interest rates, equity and equity valuation, capital structure and corporate finance. The class also serves as a preparation for FIN 500: Introduction to Finance which you will study in the Fall semester. Many past students have found the Finance Bootcamp to be a very helpful introduction to their studies on the MSFE.

Course Overview

Day 1: Income Statement and balance sheet; cash flows and accruals
Day 2: Detailed examination of a set of financial statements
Day 2: Commonly used financial ratios
Day 3: Interest rate mechanics: compounding, present value, future value, annuity formulas
Day 3: Zero-coupon rates, forward rates, yield to maturity, par yield; ordinary note/bond as a portfolio of zero-coupon bonds
Day 4: Introduction to the principal USD fixed income markets (U.S. Treasuries, corporate bonds, interbank market (LIBOR), commercial paper); compounding and quotation conventions in the various markets

Day 4: Equity valuation (dividend discount models, including the Gordon growth model)

Day 4: Corporate objectives and the net present value rule

Day 5: Modigliani-Miller theory and the weighted-average cost of capital

Day 5: Project evaluation