

E 120 Principles of Engineering Economics Fall 2020

Lectures Monday, Wednesday 2:00pm- 3:00pm berkeley.zoom.us/j/94099178383

Discussion Friday 1:00pm - 2:00pm TBD

Both the lecture and the discussion are synchronous and recorded

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GENERAL INFORMATION

- **Discussion sessions** : Conducted by the GSI's for the purpose of working out assignments, answering questions, etc. The discussion session is an integral part of the class. Occasionally, it will include material that was not covered in the lecture.
- **Textbook** : Berk and Demarzo, "*Corporate Finance*", fifth edition, Pearson Education–Prentice Hall (including MyLab Finance)

<https://www.pearson.com/us/higher-education/program/Berk-My-Lab-Finance-with-Pearson-e-Text-Access-Card-for-Corporate-Finance-5th-Edition/PGM2569051.html>

- **Assignments** : There will be a weekly assignment submitted electronically. The submission deadlines will be strictly imposed (no exceptions).
- **Exams** : A midterm (TBA) and a final (12/17/20, 3:00pm-6:00pm) - **no exceptions**). Both are open book.
- **Grading** :

Assignments : 15% The lowest score assignment for each student will not be counted
Midterm : 35%
Final : 50%

COURSE OUTLINE (with references to the textbook)

- **Time Value of Money and Interest Rates - Chapters 4-5.**
- **Investment Decision Rules - Chapters 3 and 7.**
- **Financial Statements - Chapter 2.**
- **Valuing Bonds - Chapter 6.**
- **Risk and Returns: Optimal Portfolios - Chapters 10-11.**
- **Risk Management:**
 - **Forwards and futures - Chapter 30.**
 - **Options - Chapters 20-21.**