

E120 Principles of Engineering Economics Fall 2011

Lectures	Monday, Wednesday	10:00 - 11:00	50 Birge
Discussion	Friday	09:00 - 10:00	3106 Etcheverry
Discussion	Friday	10:00 - 11:00	180 Tan
Instructor	Nguyen Truong		
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GSI	Kelly Choi		
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GSI	Zhao Ruan		
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GENERAL INFORMATION

- **Discussion sessions** : Conducted by the GSI for the purpose of working out assignments, answering questions, etc.
- **Recommended Textbook** : Berk and Demarzo, *“Corporate Finance”*, second edition, Prentice Hall.
- **Assignments** : There will be a weekly assignment due Fridays (before the start of the class).
- **Exams** : A midterm (TBD) and a final (Mon 12/12, 8:00 – 11:00 AM - NO EXCEPTIONS). These are closed book and notes. But a cheat sheet is allowed.
- **Grading** :

Assignments : 10%

Midterm : 40%
Final : 50%

COURSE OUTLINE

- 1. Time Value of Money and Interest Rates**
- 2. Valuing Bonds / Stocks / Immunization**
- 3. Optimization/Probability Background**
- 4. Risks and Returns / Markowitz Model**
- 5. Derivatives: Forwards / Futures / Options**
- 6. Other topics**