

Eng120: Engineering Economics

Fall 2018

Description: This course will provide a foundation in engineering economics. It will cover topics ranging from valuing projects and firms to risk and return to capital structure (Textbook chapters 1-13,20,21, subject to minor changes.)

Instructor: Eric Friedman, ejf27@berkeley.edu

Teaching Assistants: Nan Yang nanyang@berkeley.edu, Xu Rao xrao@berkeley.edu

Lecture: MW 1-2pm, 120 Latimer

Discussion sections: Friday 1-2, Friday 2-3 Moffitt Library 101

Office hours: Times will be posted on bcourses; other times by appointment.

Textbook: Berk and Demarzo "Corporate Finance" 4th edition *with the myfinancelab.com subscription.*

myfinancelab: You must pay for site this with your textbook or on its own. It has the online problem sets and also lots of practice problems, solutions and practice exams to learn from. Instructions are posted on bcourses. Note that you can get free temporary access.

bcourses will be used for announcements and a current schedule.

Technology: Microsoft Excel (free with UCB site license) and any basic calculator with logs and exp.

Prerequisites: Upper division standing in engineering.

Course requirements: Lectures and discussion section are mandatory. Grades will be based on weekly problem sets, a midterm, a final exam and a class participation grade. Note the midterm and final exam dates, as there will be no makeup exams except for documented emergencies. If you have a conflict talk to me a.s.a.p.

Grading: The final grade will be computed from:

$$0.4PS + 0.05Class + 0.55\max(0.4MT + 0.6F, 0.2MT + 0.8F)$$

Exams: Midterm: Weds. 10/3 (in class), Final: Weds. 12/12 7-10pm (location TBD).

Problem sets: Problem sets are due at 12 noon on Thursdays. Late problem sets will be penalized 10%/day. Your lowest 2 problem sets will be dropped. Problem sets will be online using **myfinancelab.com**. You may discuss PS problems with at most 2 other students, but all work handed in must be completely your own

Class participation grade: This grade will be based on attendance and participation.

Typically, most students will receive an 80% for this part but participation can increase this grade while lateness to class or excessive absences will reduce it.

Academic Integrity: We will follow the UC Berkeley code of conduct, as described above and in <http://sa.berkeley.edu/code-of-conduct>