

Lahore University of Management Sciences

ECON 261 - Principles of Finance

Summer 2024

To understand how to navigate course outlines, consult: How to Use a Course Outline (http://surl.li/gpvuw)

Course Basics				
Credit Hours	4			
Lecture(s)	Nbr of Lec(s) Per Week	4	Duration	120 minutes
Recitation/Lab (per week)	Nbr of Lec(s) Per Week		Duration	
Tutorial (per week)	Nbr of Lec(s) Per Week		Duration	

Course Distribution	
Core	
Elective	Yes
Open for Student Category	All
Close for Student Category	Students who have taken Fin 100

COURSE DESCRIPTION

This course provides an introduction to fundamental concepts in finance. The main objective is to develop a set of tools for analyzing the investment and financing decisions of individuals and firms. More specifically, the course is organized around three main concepts.

- **Present Value**: Real and financial assets can be represented by streams of cash flows. This portion of the course studies how to describe and value these assets.
- **Diversification and Risk**: Assets differ in their risk level. This portion of the course provides a systematic framework for analyzing the tradeoff between risk and return and for incorporating its implications into the valuation of assets.
- **Investment Decisions:** Individuals and firms must often make decisions about how to allocate their capital to various investments. This portion of the course studies the implementation of all of the course's tools in several financial decision-making contexts.

We will also talk about how to value start-ups or new firms which do or do not have comparable. Moreover, towards the end of the semester we will also briefly talk about how the financial development of an economy impacts its macroeconomic aggregates in the context of Pakistan.

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COURSE OBJECTIVES



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Learning Outcomes		
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Grading Breakup	p and Policy	
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Assignment(s): Home Work:

Quiz(s): 40% (We will have 3 Quiz, lowest grade will be dropped.)

Class Participation: 10%

Attendance:

Midterm Examination:

Project:

Final Examination: 50% (Final exam will be comprehensive.)

Examination Detail	
Midterm Exam	Yes/No: No Combine Separate: Duration: Preferred Date: Exam Specifications:
Final Exam	Yes/No: Yes Combine Separate: Duration: Exam Specifications:

Campus supports & Key university policies

Campus Supports

Students are strongly encouraged to meet course instructors and TA's during office hours for assistance in course-content, understand the course's expectations from enrolled students, etc. Beyond the course, students are also encouraged to use a variety of other resources. (Instructors are also encouraged to refer students to these resources when needed.) These resources include Counseling and Psychological Services/CAPS (for mental health), LUMS Medical Center/LMC (for physical health), Office of Accessibility & Inclusion/ OAI (for long-term disabilities), advising staff dedicated to supporting and guiding students in each school, online resources (https://advising.lums.edu.pk/advising-resources), etc. To view all support services, their specific role as well as contact information click here