

NOTE: In the event of extraordinary circumstances beyond the University's control, the content and evaluation scheme in this course are subject to change.

Course Objectives

Learn:

- i) the terminology and technical jargon associated with engineering economic analysis and financial analysis
- ii) the economic and financial concepts, factors and techniques required in the evaluation of engineering projects;
- iii) simple decision-making principles associated with capital budgeting.

Course Instructor, Professor R. Jassim, raad.jassim@mcgill.ca

Lectures, Sec 1&5 TR 16:05-15:25, Sec 2&6 TR 11:35-12:55, (might be replaced by tutorial)
Lectures and Tutorials are online up to and including January 21st (tentative, see McGill MRO announcements). See Zoom links on mycourses.

Recommended Course Material

- Course Information ('Handouts' on mycourses)
- Engineering Economy notes available at Copi-EUS McConnell, recommended
- Financial Calculator (Texas Instruments BA II PLUS recommended)
- Suggested textbook (not required and not available at Bookstore, but you can order it)
Contemporary Engineering Economics, 2nd Can. Ed., Park et al., Addison Wesley Longman.
- See mycourses for complete suggested readings

Final Mark Assessment

1. **Bonus online 48 hours (1% each): Q1 Ch1, Jan 22; Q2 Ch2, Jan 29; Q3 Ch4, Mar 12; Q4 Ch5, Mar 19.**
2. **Montreal stock Exchange (Bonus 3%)**
3. **Test #1 @ 25%, February 18th, Chapters 1-3**
4. **Test #2 @ 25%, March 25th, Chapters 4-6**
5. **Final Exam @ 50%, April Exam Period, 3 hours, Chapters 1-8, (TBA)**

Tutorials and Consulting Periods (might be replaced by lecture)

Tutorials: Starts 2nd week on January 12, Fridays or Wednesdays 14:35-15:25.
Practice problems and clarification of course material /Tests/Quizzes solutions (TAs).
No tutorials on: Jan 5th, 7th, Feb 16th, 18th, Mar 23rd, 25th (see schedule below)

Dates		Topics to be covered – tentative schedule
Jan	6	Term begins Thursday, Overview Introduction/ Demand and Supply
	11,13	Demand and Supply / Principles of Accounting
	18,20	Principles of Accounting
	25,27	Principles of Accounting / Time Value of Money: Interest
Feb	1, 3	Time Value of Money: Interest, Bonds, and stocks
	8,10	Time Value of Money: Interest, Bonds, and stocks
	15,17	Production and Cost Analyses/ (tutorial to replace class on Feb 17)
	18	Test #1 (Friday 18th) 6-7:30
	22,24	Production and Cost Analyses/ Cost of Capital
Winter Break Feb 28- March 4th		
Mar	8,10	Cost of Capital
	15,17	Project Evaluation Criteria
	22,24	Project Evaluation Criteria (tutorial to replace class on Mar 24)
April	25	Test # 2 (Friday, 25th) 6-7:30
	29, 31	Taxation Considerations
	5,7	Taxation Consideration / Inflation
	12	Review / Practice Final Exam

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