

ENG 111 - INTRODUCTION TO FINANCE & MARKETING FOR ENGINEERS

UCLA| Winter 2019 | MW - 10am to 11:50 am Moore 100

Mel: melike9@ucla.edu | office hours: Wednesday 10:00am to 11:30am, Boelter 6532A

Aysan: aysanrangchian@ucla.edu | office hours: TBA

Keerthana: keerthanasankar@g.ucla.edu | office hours: TBA

Haoran: haoranwang@ucla.edu | office hours: TBA

Course Objective

Introduce the fundamentals of internal and external financing of a company as well as the basic principles of investment

Text

Ross, Westerfield, Jaffe
"Corporate Finance", 8th
edition or later.

One source: https://www.amazon.com/Corporate-Finance-10th-Stephen-Ross-dp-0078034779/dp-0078034779/ref=mt_hardcover?_encoding=UTF8&me=&qid=

Grading

Midterm - 30%

HW - 20%

Group Paper - 10%

Final - 40%

Class Grade is calculated using the following formula:

20% (average of HWs after lowest HW dropped) + 30%M + 40%F + 10%GP + Extra Points

85 and above A

80-85 A-

75-80 -B+ ...etc.

week 1

Textbook Reading:

✧ 1.1 What is Corporate Finance ✧ 1.2 The Corporate Firm ✧ 1.3 The Importance of Cash Flows ✧ 1.4 The Goal of Financial Management ✧ 1.5 The Agency Problem

TO DO

Form a group if you would like to work on your homework with your classmates. You may change your group anytime throughout the quarter or work on your own. Post your online current event forum comment.

week 2

✧ 2.1 The Balance Sheet ✧ 2.2 The Income Statement ✧ 2.3 Taxes ✧ 2.4 Net Working Capital

TO DO

Submit your homework. Post your online current event forum comment. Check out the group project outline posted on ccle under Group Project tab.

week 3

✧ 2.5 Financial Cash Flow ✧ 3.1 Financial Statements Analysis ✧ 3.2 Ratio Analysis

TO DO

Submit your homework. Post your online current event forum comment.

Grading Details

Important Dates:

- Midterm: April 22, 10-11:30am
- Final: June 13, 8-11am
- Group Paper: June 15, 11pm
- Homework: Mostly Sundays, 11pm

Homework:

Online submission (PDF) only. You can work on your homework with your classmates (up to 4 people). Only one of you should submit the homework with all group member names appearing clearly on the document submitted.

Midterm:

Midterm Review: April 21, Time and location TBA

Midterm: April 22, in class, closed notes, you can bring a formula sheet (one face of one sheet), and a calculator. Please go to your assigned location (according to first letter of last name):

A-K: MOORE 100 L-Z: TBA

Final:

Final Review: June 9, Time and location TBA

Exam: Thursday, June 13, 8am, location TBA. Closed notes, you can bring a formula sheet (both faces of a regular sheet), and a calculator.

Group Project:

Saturday, June 15, 11pm submission online. See the class webpage for details.

Extra Points:

0.25 points per week for current event forum participation and 0.25 points for every correct online poll

week 4

✧✧ 3.3 The DuPont Identity ✧ 3.4 Financial Models ✧ 3.5 External Financing and Growth

TO DO

Submit your homework. Post your online current event forum comment. Attend the midterm review session.

week 5

Midterm on Feb 4th Monday, see the left column for details ✧✧
4.1 Valuation – One Period Case ✧ 4.2 Multiperiod Case ✧ 4.3 Compounding Periods ✧ 4.4 Simplifications

TO DO

No homework due this week. Post your online current event forum comment. Form your team for the [Group Project](#) and enter your group member names on google sheets :

TBA

week 6

✧ 5.1 Why Use Net Present Value ✧ 5.2 The Payback Period Method ✧ 5.3 Discounted Payback Period Method ✧ 5.6 Profitability Index ✧ 6.1 Incremental Cash Flows: The Key to Capital Budgeting ✧ 6.2 The Baldwin Company: An Example ✧ 7.1 Sensitivity, Scenario, and Break-Even Analysis ✧ 7.2 Monte Carlo Simulation

TO DO

Submit your homework. Post your online current event forum comment. Make sure you have a team in place for the group project.

week 7

✧ 8.1 Bonds and Bond Valuation ✧ 8.2 Government and Corporate Bonds ✧ 8.5 Determinants of Bond Yields ✧ 9.1 The Present Value of Common Stocks ✧ 9.2 Estimates of Parameters

in the Dividend Discount Model ✧ 9.3 Growth Opportunities

TO DO

Submit your homework. Post your online current event forum comment. Start to meet with your team to organize and distribute the work for the group project.

week 8

✧ 10.1 Returns ✧ 10.2 Holding Period Return ✧ 10.3 Return Statistics ✧ 10.4 Average Stock Returns and Risk Free Returns ✧ 10.5 Risk Statistics ✧ 10.6 More on Average Returns

TO DO

No homework due this week. Post your online current event forum comment.

week 9

✧ 11.1 Individual Securities ✧ 11.2 Expected Return, Variance, and Covariance ✧ 11.3 The Return and the Risk for Portfolios ✧ 11.4 The Efficient Set of Two Assets

TO DO

Submit your homework. Post your online current event forum comment.

week 10

✧ 11.5 The Efficient Set for Many Securities ✧ 11.6 Diversification

TO DO

Submit your homework. Post your online current event forum comment. Attend the midterm review session.