Duke University
Fuqua School of Business
Foundations of Capital Markets
Finance 524F Fall 2016

Course Description

This class provides an introduction to the fundamental principles of investments, investment management, and asset pricing. The course starts with the time value of money, and applies it to the valuation of bonds, equities, and investment projects. Next, the course deals with risk and return of investments, using the concepts of portfolio diversification and asset pricing models, with applications in asset allocation and mutual funds. Derivatives such as forwards and options will be introduced through international investment and risk management. The course should be valuable from the perspective of the individual investor, the corporate financial manager, and the investment manager and anyone interested in an introduction to financial markets.

Textbook and Readings

The textbook for the course is by Richard Brealey, Stuart Myers, and Franklin Allen, entitled "Principles of Corporate Finance," published by McGraw-Hill Irwin (11th edition). Hard copies of powerpoint presentations will be handed out in class, while electronic copies will be made available on the course webpage in Canvas.

Prerequisites

By definition, finance is a quantitative subject, and this will be reflected in the course. While we will review basic concepts in probability, statistics and calculus as the course progresses, I recommend you brush up your knowledge before the course begins. Familiarity with excel spreadsheet applications is also helpful.

Course Requirements

The course requirements are eight case studies (30%), one individual problem set (6%), three in-class quizzes (20%), and a final exam (40%). You get the remaining 4% if you attend at least 10 classes.

The case studies are team assignments, to be uploaded to Canvas in the form of a Word or powerpoint document. The individual problem set should be completed on the course webpage in Canvas. The quizzes and the final exam will be closed book. A formula sheet will be made available as part of the quizzes and the final exam.

Review Sessions

There will be weekly review sessions. The purpose of the review sessions is to familiarize you with basics of Excel, review materials covered in lectures, and answer your questions. Attendance is optional but strongly recommended for those who have never taken any finance courses before. You can check the dates, times, and locations of the review sessions at course homepage → Review Sessions.

Office Appointments

Prof. Yang is available to meet with you by appointments. The most reliable method is to email him: ming.yang@duke.edu. His office is W407.

Teaching Assistants (Fuqua PhD in Finance)

Jay Im: jay.im@duke.edu
Yenan Wang: yenan.wang@duke.edu

Honor Code

The Fuqua Honor Code applies. Specifically, for the completion of the individual and team assignments, "authorized material" that you can consult will include the textbook, class handouts, any information or material on the Canvas site for this course, and any communications with the course instructor (Prof. Yang) and two teaching assistants (Jay Im and Yenan Wang). For the completion of the quizzes and final exam, "authorized material" that you can consult will include the formula sheet attached to the quizzes and the exam, and any communications with the course instructor (Prof. Yang) and two teaching assistants (Jay Im and Yenan Wang). Any other source or persons not specifically mentioned in this paragraph will be deemed as "unauthorized material".

Regrading Policy

Regrade requests for each quiz/exam must be made within one week after the grades being posted. All such requests must be made using a Regrade Request Form that will be downloadable from the course website after the quiz/exam. In making your requests, keep in mind that the WHOLE quiz/exam is subject to regrading.

Classroom Norms

Laptop use is not permitted during class, except when spreadsheets are used in class or with Prof. Yang's permission to take notes for the class. Please refer to the classroom norm presentation.