Syllabus - FIRE 312
Financial Modeling, Fall 2019, Sec. 002
Class: Snead Hall, B2162, T/R, 11:00 a.m. - 12:15 a.m.

Virginia Commonwealth University

Instructor: Chintal A. Desai, Ph.D. **Office:** Snead Hall B4135 **Email:** cdesai2@vcu.edu **Phone:** 804 828 7194 **Office hours:** T/R 8:00-10:00 a.m. or by appointment.	**Teaching Assistant:** TBA **Email:** TBA **Meeting hours:** TBA

Course Description / Objective:

This course aims to enhance a student's financial conceptual understanding, problem-solving skills, spreadsheet skills, and programing skills. Throughout the semester, more emphasis will be on understanding instead of memorizing, with the ultimate goal of preparing a student for a demanding finance career. The application of financial modeling involves four areas of finance – corporate finance, investments, bond-related issues, and financial derivatives. Our focus will be mainly on corporate finance. In that, we will learn about capital budgeting, corporate valuation, and corporate leasing. Our learning approach will be first to understand the financial concepts. Then, we shall take problems, which are similar to those faced in a real-life situation. Before solving a problem, we will brainstorm and try to relate the problem with relevant finance concepts. Then, we shall use MS-Excel to facilitate our problem-solving efforts. In the end of the semester, we will learn about programing language in-built in MS-Excel – Visual Basic for Applications (VBA). If a student is familiar with other platforms such as Matlab, C++, or Python, then he or she is encouraged to solve a problem using those programing languages.

Prerequisites: FIRE 311 (minimum grade of C), INFO 162 and 165

Required textbook:
Financial Modeling, by Simon Benninga, MIT Press, 4th Edition, ISBN-978-0-262-02728-1.
(The on-line version is available FREE for VCU students --
https://ebookcentral-proquest-com.proxy.library.vcu.edu/lib/vcu/detail.action?docID=3339802)

Suggested textbook for the future:
Python for Finance, by Yves Hilpisch, O'Reilly Media, 2nd Edition
(Its on-line version is also available FREE for VCU students –
https://proquest-safaribooksonline-com.proxy.library.vcu.edu/9781492024330)

Class website:
Class syllabus, homework assignments, and your grades on first two exams will be posted on Blackboard.

Student Learning Outcomes:
1) Understanding of some of the finance concepts.
2) Problem-solving skills applied to corporate finance.
3) Spreadsheet skills, and
4) Programming skills.

COURSE POLICIES

Check Blackboard and your VCU Email Regularly. You are deemed to be officially notified once email is sent to your VCU email address.

Attendance, preparation and participation: You need to *actively* attend each class session, take notes, and build spreadsheets. Some portion of the material may not be appropriately covered in the textbooks. If you miss any material covered in the class, ask another student for notes/spreadsheets. The homework assignments and exams depend on the material covered in the class. I will take random attendance for 15 times during the semester. Each attendance is worth of one point with the maximum of 12 points.

Exams:
You will take two term exams and a final exam. The final exam is cumulative, and it is during the exam period. **<u>All exams are mandatory.</u> There will be no make-up exams.** The student can have a make-up exam only on those extenuating circumstances in which the university requires the instructor to give a make-up exam. **Please note that the make-up exam is very difficult and challenging than a regular exam** due to limited pool of possible questions.

Homework assignments:
Throughout the semester, I will give you around 6-7 homework assignments with instructions through the blackboard. I will also give you the deadline and points for each homework. **NO LATE SUBMISSION IS ALLOWED**. You need to submit the homework assignments using the Blackboard individually.
Depending on the availability of a Teaching Assistant, I will make a decision regarding number of homework assignments to be graded. I may *randomly* (in front of students) select 20 percent of submissions for a given homework for grading. The remaining **submitted** but ungraded homework may get full points for that homework assignment.
The answer key (PDF file) of each homework assignment will be posted on the blackboard after the submission deadline or after the assignments are graded.

Grade Determination:
Final grades will be based on performance as follows:

Attendance + Class participation	15 (12+3) points
Homework assignments (maximum)	15 points
Exam 1	15 points
Exam 2	20 points
Final Exam (cumulative)	35 points

Extra Credit: There will be ***<u>no</u>*** opportunity for "extra credit" assignments after all classwork is completed.
Incomplete: A grade of Incomplete is available *only* for serious, documented, unavoidable circumstances – operations, accidents, court appearances, etc. This does **not** include your travel plans for some avoidable situations.
Withdrawal: Please note the last date to withdraw with a mark of "W" noted on your record on the semester calendar at http://academiccalendars.vcu.edu/. The last date for withdrawal for Fall 2019 is November 1, 2019.

Topics to be covered / Tentative class schedule

Week of	Topic / Textbook (Benninga 4th edition) Chapter
20-Aug	Syllabus / Introduction
27-Aug	Basic financial calculations, Ch. 1
3-Sep	Basic financial calculations, Ch. 1
10-Sep	Corporate valuation, Ch. 2
17-Sep	Calculating weighted average cost of capital, Ch. 3
24-Sep	Ch. 3, **Exam 1**
1-Oct	Valuation based on consolidated statement of cash flows, Ch. 4
8-Oct	Pro Forma Financial Statement Modeling, Ch. 5,
15-Oct	Ch.5,
22-Oct	Building a pro forma model, Ch. 6
29-Oct	Ch. 6
5-Nov	Financial Analysis of Leasing, Ch. 7,
12-Nov	Ch.7, **Exam 2**
19-Nov	User-defined functions with VBA, Ch. 36
26-Nov	**Thanksgiving Break**
3-Dec	Variables and Arrays, Ch. 37
17-Dec	**Final Exam (8 a.m. to 10:40 a.m.)**

SCHOOL/UNIVERSITY POLICIES

VCU School of Business Mission

The mission of the VCU School of Business is to prepare students for successful careers and lifelong learning by providing management education firmly grounded in technology, interdisciplinary teamwork and global perspectives. Essential to achieving this mission is striving to excel in teaching and scholarly research, and to build effective, value-based relationships with the external community.

Other important information

http://go.vcu.edu/syllabus