



Subject: General Finance

SYLLABUS

Topic 1. Value and capital budgeting

- 1.1 Introduction: objectives, investments, projects, firms versus individuals
- 1.2 The time value of money and net present value
- 1.3 Stock and bond valuation: annuities and perpetuities
- 1.4 A first encounter with capital budgeting rules
- 1.5 Time-varying rates of return and the yield curve
- 1.6 Uncertainty, default, and risk

Topic 2. Risk and return

- 2.1 A first look at investments
- 2.2 Investor choice: risk and reward
- 2.3 The Capital Asset Pricing Model

Topic 3. Value and market efficiency in an imperfect market

- 3.1 Market imperfections
- 3.2 Perfect and efficient markets, and classical and behavioral finance

References:

1. Ivo Welch, *Corporate Finance. An Introduction*, Pearson, 2009 (2nd edition, 2011)