Course Syllabus

ECON 423: Topics in Financial Economics

Course Instructor

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Purpose and Goals

The study of economics provides students with a very valuable analytical "tool kit" and the ability to apply the economic way of thinking to various issues. Students interested in finance will find that there are many useful applications of economic principles within various career paths in finance. The objective of this course is to help students identify these career paths and to work with "real-world" applications that combine economics and finance. To assist students, we will discuss various topics throughout the quarter: 1) insurance; 2) analysis and valuation of stock; 3) fundamentals of transfer pricing; 4) private company valuation and transactions; and 5) private equity and venture capital. Throughout the quarter, we will hear from individuals who will share real-world expertise and practical information to assist students as they plan for post-graduate career paths.

Learning Outcomes

1. Learners will be able to identify career paths in finance which utilize their education and training in economics.
2. Learners will be able to apply principles from their economics courses to specific analytical problems in fields of finance covered during the quarter.
3. Learners will be able to articulate how an understanding of economic principles would strengthen an individual's ability to successfully work in the fields of finance covered during the quarter.

Course Structure

Modules and Readings

This course includes five (5) two-week Modules, one for each of the topics or fields in financial economics that we will explore during the quarter. See further below for the Course Schedule. Each "Module" on Canvas will provide the associated readings and materials.

NOTE that two Modules reference readings from custom electronic textbooks which are available for purchase: Module 2 (Analysis and Valuation of Stock) and Module 4 (Private Company Valuation and Transactions):

- *Fundamentals of Corporate Finance*, 9th Edition by R. Brealey, S. Myers and A Marcus, McGraw Hill Irwin.
  - Students may purchase a **custom electronic text** *containing only the chapters referenced during the class* by visiting this website: **https://create.mheducation.com/shop/# (https://create.mheducation.com/shop/#)** and entering this ISBN number: 9781309099223
- *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset*, Aswath Damodaran (3rd ed.).
  - Students may purchase a **custom electronic text** *containing only the chapters referenced during the class* by visiting this website: **https://www.vitalsource.com/custom/9781119423607 (https://www.vitalsource.com/custom/9781119423607)**

    Or go to **www.vitalsource.com (http://www.vitalsource.com)** and search for the custom ISBN: 9781119423607

Please contact me right away via email (**ctapia@uw.edu (mailto:ctapia@uw.edu)**) or during class if you have any trouble accessing the readings.

Assessments

Each module will include an exam. In addition, each module *may* include self-check quizzes. Grading is discussed further below. The module exam will be scheduled after the final lecture for each topic. Details regarding each module exam (including due date) will be posted on Canvas.

Zoom Virtual Classroom

We will use Zoom for our virtual classroom. See the Zoom link in the left-hand menu to access Zoom links. You may also find Zoom meeting links on the class calendar (available in the upper right corner of the course Home page).

Students are strongly encouraged to attend each class session "live" during the scheduled class time as this will be a great opportunity to ask questions in the moment and interact with the instructor. I will post recordings of class lectures on Canvas.

Course Communication

*Please visit this **Course Netiquette page (https://canvas.uw.edu/courses/1449009/pages/course-netiquette)** for guidelines to follow throughout the quarter.*

Although we will not be in the same physical classroom, this course offers several ways that you will be able to communicate and connect with others in this course.

- If you have a question about the course, please **start** by reading this **syllabus** carefully, along with any Canvas announcements and any relevant course assignment instructions.
- If you can't find an answer to your question after rereading the syllabus and any relevant instructions, post your question in the **"Community Forum"** (see link in the Course Navigation Menu to the left). Posting your question here means that the answer will be visible to other learners who may have the

same question. You can expect responses to questions posted in the Community Forum by the next business day.
- If you have a question or issue of a personal nature, please contact me directly (**ctapia@uw.edu** (mailto:ctapia@uw.edu)) and please use your UW email address. I will try to respond within 24 hrs.
- If you need tech support, contact Tech Support for the UW Seattle campus: **help@uw.edu** (mailto:help@uw.edu) or (206) 221-5000.

Grading

As noted above, each module will include an exam. In addition, each module *may* include "self-check" quizzes. Any quiz points will be added to your exam score to determine your total grade (out of 100%) for the module. Your grade for the course will be calculated as the average of your five module grades.

Course Schedule Outline

***NOTE*:** The schedule outlined below may be adjusted and will be supplemented with additional announcements made via Canvas.

Additional information (including lecture slides and/or notes) will be posted on Canvas. In addition, class announcements will be sent through Canvas. *It is your responsibility to check class announcements on Canvas to have the latest information regarding readings, exams, and scheduling. Please be sure to set your Canvas notifications accordingly to hear about the latest announcements and files posted.*

Week One

- Welcome Module
  - Discussion: Getting to Know Each Other (Due: 4/30)
- Module 1: Insurance (3/30, 4/1)

Week Two

- Module 1 (cont’d): Insurance (4/6)
  - Exam (4/8)

Week Three

- Module 2: Analysis and Valuation of Stock (4/13, 4/15)

Week Four

- Module 2 (cont’d): Analysis and Valuation of Stock (4/20)
  - Exam (4/22)

Week Five

- Module 3: Transfer Pricing (4/27, 4/29)

Week Six

- Module 3 (cont’d): Transfer Pricing (5/4)
  - Exam (5/6)

Week Seven

- Module 4: Private Company Valuation and Transactions (5/11, 5/13)

Week Eight

- Module 4 (cont’d): Private Company Valuation and Transactions (5/18, 5/20)
  - Exam (5/21)

Week Nine

- Module 5: Private Equity and Venture Capital (5/25, 5/27)

Week Ten

- Module 5 (cont’d): Private Equity and Venture Capital (6/1)
  - Exam (6/3)

Over the quarter, we will be hearing from the following speakers:

- Olga Yang, CPCU, ARM, AIM, ARe, APA, ASLI; Executive Underwriter, The Hartford
- Chip Holland, C.L.U.; President, Life & Health Underwriters, Inc.
- Steve Phelps, C.F.A., C.I.C.; President, Chief Investment Officer and Wealth Manager; Badgley Phelps Wealth Managers
- David Unger; Managing Director, Economic and Valuation Services; KPMG, L.L.P.
- Patrick Ringland; Principal & Managing Director; Meridian Capital Investment Bankers
- Adley Bowden; VP of Market Analysis; PitchBook Data