



Universidad del Desarrollo
Universidad de Excelencia

Finance I

Fall 2012

Session 1:

Course Welcome



1. Welcome

- Professor bio
- Program and relevant dates
- Individual assignments and quizzes
- Group assignments
- Class participation
- Attendance
- Grading
- Bonus track

2. Introduction to Finance

3. Closing

▶ **Hugo Benedetti (Professor or Profe, until you get grades over 6.0)**

- M.S. in Finance, B.S. in Economics (Universidad de Chile)
- Graduate and undergraduate professor at UDD, UAI, U Chile (Finanzas I & II, Finanzas para emprendedores, Herramientas Cuantitativas, Economía, Economía de la Información, Marco Económico, etc.)
- Corporate Finance Manager at Deloitte, Partner at Phi Partners, Corporate Finance Area Leader at American Appraisal, Investment Manager at AXA Private Equity, Associate Consultant at The Boston Consulting Group
- Mentor at Endeavor, UDD Ventures, Desafío Joven, Chile Global Angels, etc.
- **Research interests:** Entrepreneurship, **Entrepreneurial Finance**, **Venture Capital** and Corporate Finance / M&A
- Twitter: @hugoebenedetti , news related to entrepreneurship, finance and economics

- ▶ **Please grab a piece of paper, write your name on it and put it in front of you, every class, until I learn your name. It shouldn't take too long if you sit in front** 3

1. Our course will be different...

1. Program and relevant dates

► Program:

- Oriented to financial management
- Basic notions of theoretical finance (risk-return, time value of money)
- Highly leveraged on Accounting courses
- Focus on competence development over memorizing
 - Class discussion, applications, cases and analysis
- Many and frequent graded “quizzes”
- Higher workload, but this will be rewarded both in learning and grades

► Calendar

1. Individual Assignments and Quizzes

► Individual assignments

- Online questions and exercises extremely similar to quizzes
- Mandatory to answer before the beginning of the class on which the quiz will take place
- If you don't answer the assignment, your maximum grade on the quiz will be 4.0.- The maximum grade will vary proportional to the completion of the assignment (ie. 50% completion implies max grade of 5.5)
- Answers will only be counted, not graded. Your response must be readable to count (lkndaskln"%#\$"#213214 doesn't count as a valid response)

► Quizzes=> 70% Applied, 30% Theory

- | | |
|--------------------------|-----------------------|
| • March 21 st | May 9 th |
| • March 28 th | June 6 th |
| • April 4 th | June 13 th |
| • April 25 th | June 20 th |

1. Group Assignments

▶ Group Assignments

- Groups to be formed on March 21st
- Group size will depend on class size. Ideally 4 groups
- 1 group leader
- Deliverables: 3 Videos
 - 2 lectures based on a chapter of BMA
 - 1 case resolution
 - PPT, drawings, narrator, animation, etc.
 - Length 15 - 30 minutes
- Group grade to be distributed among members by group leader
 - No member of the team can have the same grade as other, unless group grade is 7.0 (In this case, it isn't mandatory for all members to receive a 7.0. Disciplinary actions are allowed and encouraged)
 - In case of disagreement, secret vote among members to resolve
 - Final appeal and resolution by Professor
 - If team appeals, the team must later split

1. Group Assignments

▶ Example 1

- 5 member group
- Group grade 6.0, resulting in 30 points to distribute
 - Member 1: 6.2
 - Member 2: 6.0
 - Member 3: 5.8
 - Member 4: 5.5
 - Member 5: 6.5

▶ Example 2

- 4 member group
- Group grade 7.0, resulting in 28 points to distribute
 - Member 1: 7.0
 - Member 2: 7.0
 - Member 3: 7.0
 - Member 4: 4.0 (disciplinary action)

1. Class and class participation

▶ The class will split 75% discussion / analysis and 25% content review.

- This implies only 20 minutes of regular lecture at the beginning of the class. The remaining time will be dedicated to problem solving, applications, discussions, case resolution, video presentations, etc.
- It's essential you **STUDY** (as opposed to read) the class materials **BEFORE** attending the session

▶ Class participation is graded

- Congratulations, you all received a 7.0!!!
- To keep it, you must contribute to the discussion in at least 10 sessions during the semester
- Every session I'll ask questions that you may answer voluntarily. Your response will be immediately graded as constructive or not (whether it adds value to the discussion or not)
- Penalty for not accomplishing the 10 contributions is 0.6 pts/contribution

▶ Examples:

- 4 contributions : 4.0
- 5 contributions : 4.6
- 10 contributions : 7.0

▶ Class attendance

- Minimum class attendance to pass: 75%
- Each student must sign/click their attendance, starting march 19th
- Students arriving to class more than 5 minutes late will not be allowed to enter, nor sign the attendance
- If a student needs to leave the session, for any reason, he or she must leave within 5 minutes of the beginning of the session. There will be no further interruptions

▶ Assessments

- | | | |
|--------------------------|-----|-------------------------------------|
| • Quizzes (8): | 20% | 6 highest grades will be considered |
| • Group Assignments (3): | 10% | 2 highest grades will be considered |
| • Class participation: | 10% | |
| • Midterm 1: | 15% | |
| • Midterm 2: | 15% | |
| • Exam: | 30% | |
- Exam grade above 3.0 is required to pass

- ▶ **Motivation... I'll study EVERYTHING**

- ▶ **Cellphones, notebooks, tables are not allowed unless strictly required for educational purposes**

2. Introduction to Finance

- ▶ **Who likes (think he/she likes) finance?**
- ▶ **Who would like (think he/she would like) to work in finance?**
- ▶ **What do you think it means to work in finance? What do you do during the day?**
- ▶ **How do you think this course could prepare you for that?**

► Next class:

- Study chapter 1-2 BMA
- Bring a friend and convince him/her to join the course. 1 contribution point for you and your friend as reward
- Get to know your classmates and evaluate potencial fit for your team