

IEMS 326 Economics and Finance for Engineers

Winter 2009

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Lectures: Mondays, Wednesdays, and Fridays, 3:00-3:50 in Tech LR5 a.k.a. M193

Website: courses.northwestern.edu and users.iems.northwestern.edu/~armbruster/2009iems326

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Office Hours: Thursdays 3:30-5:30 in Tech C236

Textbook: *Principles of Corporate Finance* by Brealey, Myers, and Allen. While you do not need to buy this book, I suggest you buy a copy (any edition works) because I will suggest readings from it and because it contains many additional problems to study from.

Course Purposes:

This course introduces you to the field of engineering economics and corporate finance. It provides you with an improved understanding of financial concepts and their use in effective management. This course will prepare you to discuss the basics of financial securities, companies, and their valuation and to take Financial Engineering I (IEMS 373). It will also prepare you to use decision trees and calculate net present values for project valuation and selection.

Grading:

- 35% Exams
- 5% Participation and in-class exercises
- 20% Project
- 40% Homework

Policies:

- You are expected to actively participate during lectures and discussions. There will be in-class exercises.
- Groups of no more than three for the project.
- You are allowed to study in groups. But unless specifically stated otherwise, you must do all homework assignments and exams independently (no collaboration or making use of other people's solutions and spreadsheets).
- Make sure your solutions are neat, clear, and logical. We will not "look" for your answers.