

[PFIN] PERSONAL FINANCE

Introduction

This is perhaps the only course of the program that is more for you than for your company; it is all about *your* savings and how *you* can manage those savings successfully.

Objectives

The ultimate goal of this course is to provide you with a general, integral, simple, practical, and effective framework to successfully manage your own savings. Contrary to what some people would have you believe, it does not take a PhD in Quantum Physics to sensibly manage your money. The approach discussed in this course follows from the strategies endorsed by investment legends such as Warren Buffett (CEO of Berkshire Hathaway), John Bogle (founder of Vanguard), and David Swensen (CIO of the Yale University endowment).

Content

This course will deal with the major asset classes and their role in your portfolio; the financial products currently available in the market and their convenience for you; the costs of financial products and their relevance; the pillars of a proper selection of products; the appropriate way to build a portfolio to achieve your goal and how to adjust it over time; and the use of some valuable resources online.

Methodology

The course uses cases, simulations, exercises and readings to generate an enriching in-class discussion of the topics outlined above (around 37,5hrs).

Evaluation

Performance in the course will be evaluated with an individual final exam (50%), adjusted by class participation (50%).

Competences

Basic

CB6. Possess and understand knowledge that provides a basis or opportunity to be original in the development and/or application of ideas, often in a research context.

CB7. The students know how to apply the knowledge acquired and their ability to solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study

CB8. The students can integrate knowledge and face the complexity of formulating judgments based on information that, being incomplete or limited, includes reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.

CB9. Students know how to communicate their conclusions and the knowledge and ultimate reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.

CB10. Students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

General

CG1. To explain and discuss business situations in a rigorous, effective way using both formal and informal procedures, and providing relevant information to support their observations and conclusions.

CG7. To distinguish and categorize relevant information effectively for business decision making.

Specific

CE23. To evaluate decisions to buy or sell assets and businesses using criteria related to strategy, economics/finances, and execution of the transaction.