



India's First Public Policy School



O.P. Jindal Global University  
A Private University Promoting Public Service

## **Financial Economics**

### **Cross Elective**

#### **Course Information**

Course Duration: August 2026 – November 2026

Credit Hours: 4

Prerequisites: Introductory undergraduate Microeconomics and Mathematics

Equivalent Courses: Not Applicable

Exclusive Courses: Not Applicable

#### **Instructor Information**

Instructor: Dr. Sonal Dua

Biography: Dr. Sonal Dua is an Associate Professor at the Jindal School of Government and Public Policy, O.P. Jindal Global University (Institution of Eminence Deemed to Be University), since 2019. She also serves as the Associate Dean for Executive and Online Education.

She earned her Ph.D. in Economics from the Delhi School of Economics in 2019. She also holds an M.A. in Economics from Jawaharlal Nehru University and a B.A. (Hons.) in Economics from University of Delhi.

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## 1. Course Description

This course is designed to introduce students to the core theories and principles of finance while establishing the link between economics and financial analysis. It serves as a foundational course for advanced programs in Financial Economics. It begins with the economic underpinnings of finance and progresses to major topics in financial economics. The course provides an overview of financial markets, examines the significance of risk and uncertainty, explores the concept of the time value of money, and discusses market efficiency and financial decision-making.

## 2. Course Intended Learning Objectives(Aim)

Course Intended Learning Outcomes	Teaching and Learning Activities	Assessments/ Activities
Explain the theoretical underpinnings of financial economics	Lectures, Class notes, and Group Discussions in class.	Assignment Problems, Midterm & End Term.
Evaluate the link between the financial system and the real economy	Lectures, Class notes, and Group Discussions in class.	Assignment Problems, Midterm & End Term.
Assess the importance of risk in the economy	Lectures, Class notes, and Group Discussions in class.	Assignment Problems, Midterm & End Term.
Application of the concept of time value of money in real life instances like mortgages, amortization, EMI's etc.	Lectures, Class notes, and Group Discussions in class.	Assignment Problems, Midterm & End Term.
Evaluate the firm's investment decisions.	Lectures, Class notes, and Group Discussions in class.	Assignment Problems, Midterm & End Term.

## 3. Scheme of Evaluation and Grading

Assessments include internal evaluations and an external end-term exam.

1. Midterm 1: 30% (scheduled for the 6th week of the semester)
2. Midterm 2: 30% (scheduled for the 12th week of the semester)
3. Class Participation: 10%
4. End Semester Examination: 30%

Grading is conducted according to the university's grading scale, which is provided below.

COURSE LETTER GRADES AND THEIR INTERPRETATION			
Letter Grade	Percentage of Marks	Grade Points	Interpretation
O	80 and above	8	<b>Outstanding:</b> Exceptional knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and extraordinary critical and analytical ability.
A+	75 - 79	7.5	<b>Excellent:</b> Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and critical and analytical ability.
A	70 - 74	7	<b>Very Good:</b> Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyse existing material and originality in thinking and presentation.
A-	65 -69	6	<b>Good:</b> Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills.
B+	60 - 64	5	<b>Fair:</b> Average understanding of the subject matter, limited ability to identify issues and provide solutions to problems and reasonable critical and analytical skills.
B	55 - 59	4	<b>Acceptable:</b> Adequate knowledge of the subject matter to go to the next level of the study and reasonable critical and analytical skills.
B-	50 - 54	3	<b>Marginal:</b> Limited knowledge of the subject matter and irrelevant use of materials, and poor critical and analytical skills.
P1	45 - 49	2	<b>Pass 1:</b> Pass with Basic understanding of the subject matter.
P2	40 - 44	1	<b>Pass 2:</b> Pass with Rudimentary understanding of the subject matter.
F	Below 40	0	<b>Fail:</b> Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course.
P	Pass		'P' represents the option of choosing between Pass/Fail grading system over the CGPA grading system in the COVID 19 semester in Spring 2020. The option is provided when students attain a minimum of 40 percentage marks under the current grading structure in a given subject.
I	Incomplete		Extenuating circumstances preventing the student from completing coursework assessment, or taking the examination; or where the Assessment Panel at its discretion assigns this grade. If an "I" grade is assigned, the Assessment Panel will suggest a schedule for the completion of work, or a supplementary examination.

#### 4. Academic Integrity

*Plagiarism* in assignments will be heavily penalized. If the instructions are provided, you may collaborate with your colleagues; however, you must submit your own copy.

*Attendance:* will be strictly according to the university norms. I will take attendance at any point of time after the first ten minutes of the commencement of the session.

*Classroom Decorum:* Entry to the lectures is not allowed 10 minutes after the designated lecture time. Please be courteous to your classmates and do not disrupt the class after the first 10 minutes.

*Use of phone/texting/laptop:* As a courtesy to your instructor and fellow colleagues, you are expected **not** to use your mobile phone/laptops/tablets/electronic devices for any purposes unless explicitly asked to use/bring them in class. Phones are expected to be on silent mode or switched off mode.

5. **Keyword Syllabus:** Capital markets- function, securities, participants; Consumption and investment decision under certainty; Risk and uncertainty; Pricing of risky assets; Time value of money; Capital budgeting

#### 6. Course Material

**Core Textbook:** Copeland, T. E., Weston, J. F., & Shastri, K. (2005). Financial theory and corporate policy, Boston: Pearson Addison Wesley.

**Additional Reading:** Fabozzi, F. J., Neave, E. H., & Zhou, G. (2011). Financial economics. Wiley.

## 7. Session Plan

Week	General Topic	Readings	Approach/Pedagogy
1& 2	Introduction: Capital Markets, Consumption, and Investment	Chapter 1 of Core Textbook	Lecture, Lecture Notes & Group Discussions
3& 4	Investment Decisions: The Certainty Case	Chapter 2 of Core Textbook	Lecture, Lecture Notes & Group Discussions
5& 6	Theory of Choice Under Uncertainty: Utility Theory	Chapter 3 of Core Textbook	Lecture, Lecture Notes & Group Discussions
7 & 8	State Preference Theory	Chapter 4 of Core Textbook	Lecture, Lecture Notes & Group Discussions
9& 10	Objects of Choice	Chapter 5 of Core Textbook	Lecture, Lecture Notes & Group Discussions
11& 12	Market Equilibrium: CAPM and APT	Chapter 6 of Core Textbook	Lecture, Lecture Notes & Group Discussions
13& 14	Futures Contracts and Markets - Term Structure	Chapter 8 of Core Textbook and Appendix on Discounting	Lecture, Lecture Notes & Group Discussions
15& 16	Capital Budgeting	Chapter 2 of Core Textbook	Lecture, Lecture Notes & Group Discussions