

Course Catalog - Spring 2008

Finance

100 **Survey of Finance** credit: 1 hours.

An introductory course, for both current majors and non-majors, intended to give the flavor of Finance. The course will present brief introductions to such topics as personal finance, investments, corporate finance, real estate, and insurance. It is intended for students who are just beginning their studies. Approved for S/U grading only.

199 **Undergraduate Open Seminar** credit: 0 to 5 hours.

Approved for both letter and S/U grading. Course may be repeated for credit.

221 **Corporate Finance** credit: 3 hours.

Introductory study of corporate financial management, in particular how the financial manager's choices add value to shareholder wealth through investment financing and operating decisions. Prerequisite: Credit or concurrent registration in ACCY 202 and ECON 203.

230 **Introduction to Insurance** credit: 3 hours.

Introductory course on the role of insurance in society; covers insurance terminology, common personal insurance policies (auto, health, life and homeowners) and current issues.

232 **Personal Wealth Management** credit: 3 hours.

Studies personal wealth management techniques with an emphasis on life insurance products; covers life insurance policies, annuities, trusts, buy- sell arrangements, investing in stocks, bonds and mutual funds, banking and borrowing, purchasing residential and commercial real estate, income and estate taxation and management of personal financial portfolio.

241 **Fundamentals of Real Estate** credit: 3 hours.

A survey of real estate finance, appraisal, investment, law, brokerage, management, development and economics. Special attention is given to the analysis of aggregate real estate and mortgage markets, to the individual transactions within these markets, and to the legal and institutional factors which affect these markets. Prerequisite: ECON 102.

300 **Financial Markets** credit: 3 hours.

Theory and applications associated with the functioning of financial markets to include the conceptual foundations of portfolio theory, risk management, and asset valuation. The stock, money, bond, mortgage, and futures and options markets are examined. Prerequisite: FIN 221; CS 105 or demonstration of electronic spreadsheet competency.

311 **Investments** credit: 3 hours.

Current theories of portfolio management are covered in considerable detail to provide a conceptual framework for the evaluation of investment strategies. Applications and implementation are covered in depth, including performance evaluation and international diversification. 3 undergraduate hours. Prerequisite: FIN 300.

321 **Advanced Corporate Finance** credit: 3 hours.

Theories of firms' investment and financing decisions are covered. Topics include dividend policy, capital budgeting, capital structure, bankruptcy, long- term debt and leasing decisions. Prerequisite: FIN 300.

412 **Options and Futures Markets** credit: 3 hours.

Introduction of options and futures markets for financial assets; examination of institutional aspects of the markets; theories of pricing; discussion of simple as well as complicated trading strategies (arbitrage, hedging and spread); applications for asset and risk management. 3 undergraduate hours. Prerequisite: FIN 300 or consent of instructor.

413 **Financial Engineering** credit: 3 hours.

This course will present and analyze modern tools for identification, measurement, and management of financial

risk faced by corporations and institutional investors; in particular as related to the application of futures, forwards, options, swaps, and other derivatives. The focus will be evenly split between theoretical models and practical applications, and will include careful consideration of parameter estimation and numerical implementation. 3 undergraduate hours. Prerequisite: FIN 300 or consent of instructor.

414 **Urban Economics** credit: 3 or 4 hours.
Same as ECON 414. See ECON 414.

419 **Real Client Managed Portfolios** credit: 3 hours.
Applies academic topics on financial markets, security analysis/valuation and portfolio management to hands-on investment management. Students will form and review objectives, constraints, and investment policy as it relates to the client's money under management. They will purchase securities, monitor performance of the portfolio, and make recommendations for any adjustments to the holdings. They will be fully educated and responsible to the fiduciary and ethical standards of professional money management as guided by the Association for Investment Management and Research (AIMR). 3 undergraduate hours. May be repeated to a maximum of 9 hours. Prerequisite: FIN 311 or consent of instructor.

422 **Cases in Corporate Finance** credit: 3 hours.
Course totally devoted to the study of financial management cases, provides students a hands-on learning experience. The case work helps students to develop their analytical and interpretative skills in solving unstructured real world problems. The theoretical concepts and tools learned in the introductory finance courses provide the foundation for the case studies. Topics discussed include financial forecasting and working capital management; capital budgeting and cost of capital; and capital structure, dividend policy, corporate financing, financial restructuring, financial distress, mergers, acquisitions and firm valuation. 3 undergraduate hours. Prerequisite: FIN 300 and FIN 321.

423 **Financing Emerging Businesses** credit: 3 or 4 hours.
The study of the business environment, alternative methods of organization and financing, use of financial statements as a management tool, valuation methods and approaches to ethical dilemmas from the perspective of an owner-manager. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 300 or consent of instructor.

431 **Property-Liability Insurance** credit: 3 or 4 hours.
Examines in detail the functions of property-liability insurers, including marketing, underwriting, claims, ratemaking and administration, and the major current issues facing this industry. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 230.

432 **Managing Fin Risk for Insurers** credit: 3 or 4 hours.
Introduces basic concepts in financial economics used in the analysis and management of financial risks, with an emphasis on the applications by insurers and pension plans; topics include decision making under uncertainty, economic statistics, deterministic and stochastic interest rate models, derivative securities, valuation, binomial models and option pricing models. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 300; either FIN 230 or FIN 232; MATH 245 or equivalent; MATH 409; MATH 415; electronic spreadsheet proficiency.

433 **Corporate Risk Management** credit: 3 or 4 hours.
Case study course examining how corporations deal with pure risk. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 221, FIN 431, and FIN 434.

434 **Employee Benefit Plans** credit: 3 or 4 hours.
Studies the purpose, structure, and financial aspects of employee benefit plans, including pensions, health insurance, life insurance, and disability plans. Same as LIR 434. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 300 or consent of instructor.

443 **Legal Issues in Real Estate** credit: 3 or 4 hours.
Overview of legal concepts, issues, and principles involving real estate. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: Junior standing or consent of instructor.

444 **Urban Real Estate Valuation** credit: 3 or 4 hours.

The terminology, theory and techniques of real estate valuation (appraisal); a modern view of the three approaches to estimating value - sales comparison, cost and income. Special requirements include local field trips to appraise at least one single-family property and one income property. 3 undergraduate hours. 3 or 4 graduate hours.

Prerequisite: FIN 221, or FIN 241, or consent of instructor.

445 **Real Estate Investment** credit: 3 or 4 hours.

An approach to the evaluation of real estate investment opportunities. Begins with the identification of the investor's goals and ends with an investment decision. Considers legal, physical, locational, and financial constraint, aggregate real estate and financial markets, tax considerations and investment criteria. 3 undergraduate hours. 3 or 4 graduate hours. Prerequisite: FIN 221 and FIN 241 and electronic spreadsheet proficiency, or consent of instructor.

446 **Real Estate Financial Markets** credit: 3 or 4 hours.

Discusses real estate financing techniques and the secondary market for real estate financial assets including mortgage backed securities and mortgage backed finance. 3 undergraduate hours. 3 or 4 graduate hours.

Prerequisite: FIN 300 or consent of instructor.

451 **Intl Financial Markets** credit: 3 hours.

This course covers the three major international financial markets; the foreign exchange market, the eurocurrency market, and the international equity and bond market. The course looks at international financial decisions including operations, structure and valuation. 3 undergraduate hours. Prerequisite: FIN 300 and FIN 321.

461 **Financial Intermediation** credit: 3 hours.

Financial intermediaries survey of the structure, functions, regulation, and risk management activities of financial intermediaries; central banking and monetary policy effects on financial intermediaries. 3 undergraduate hours.

Prerequisite: FIN 300 or consent of instructor.

490 **Special Topics in Finance** credit: 1 to 3 hours.

May be repeated in the same term to a maximum of 6 hours. May be repeated in subsequent terms to a maximum of 9 hours. Prerequisite: FIN 300 or consent of instructor.

494 **Senior Research** credit: 2 to 4 hours.

Research and reading course for students concentrating in finance, insurance, urban land economics, or related areas who meet one of the following requirements: (1) have a cumulative grade-point average of 3.0 or better; (2) have attained Honors Day recognition in the junior year; or (3) have consent of instructor. May be taken by students in the college honors program in partial fulfillment of the honors requirements. 2 to 4 undergraduate hours. No graduate credit. May be repeated as topics vary. Prerequisite: Senior standing.

495 **Senior Research** credit: 2 to 4 hours.

Research and reading course for students concentrating in finance, insurance, urban land economics, or related areas. May be taken by students in the college honors program in partial fulfillment of the honors requirements. 2 to 4 undergraduate hours. No graduate credit. Prerequisite: Senior standing; and cumulative grade-point average of 3.0 or better, Honors Day recognition in the junior year, or consent of instructor.

511 **Investments** credit: 2 or 4 hours.

Introduction to investment analysis, including the theory and implementation of portfolio theory; empirical evidence on the performance of financial assets; evaluation of portfolio investment strategies; and the extension of diversification to international markets. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

512 **Financial Derivatives** credit: 4 hours.

Introduction to options, futures, swaps and other derivative securities; examination of institutional aspects of the markets; theories of pricing; discussion of simple as well as complicated trading strategies (arbitrage, hedging, and spread); applications for asset and risk management. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

513 **Financial Engineering I** credit: 4 hours.

Provides an introduction to modern techniques for pricing options, swaps, and related financial instruments; the use of such instruments in managing financial risk; and the measurement and management of their risks. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

514 **Financial Engineering II** credit: 4 hours.

Presents the main ideas and techniques of modern option pricing theory, including: the Black-Scholes-Merton analysis; risk-neutral probabilities and the probabilistic solution; numerical techniques for computing option prices; an introduction to term structure modeling; and perhaps other topics, at the discretion of the instructor. Prerequisite: Prior or concurrent registration in FIN 513 or consent of instructor.

515 **Fixed Income Portfolios** credit: 2 or 4 hours.

Conceptual foundations and implementation of strategies for the selection, evaluation, and revision of portfolios of fixed-income financial assets (bonds); examination of related research. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

520 **Financial Management** credit: 4 hours.

Introduction to financial management and decision making. Topics include risk-return relationships for financial securities; financial statement analysis and forecasting; working capital management; capital budgeting and the resource allocation process; capital structure and the cost of capital; dividend policy. Prerequisite: Enrollment in the Executive MBA, MSBA, or MS program.

521 **Advanced Corporate Finance** credit: 4 hours.

Addresses both the theoretical and applied aspects of firms' financing decisions; topics include capital structure and cost of capital theories; mergers, acquisitions and leveraged buyouts; options, warrants, and convertibles; venture capital and initial public offerings; and pensions. Prerequisite: FIN 520, plus either ECON 506 or BADM 572 or concurrent registration in either course; or MBA 505 - Section G (Finance II); or consent of instructor.

522 **Cases in Financial Strategy** credit: 4 hours.

Course focuses on financial management cases. Provides students with an active learning experience. Case work is based on concepts learned in introductory corporate finance. Topics discussed include measuring and interpreting cash flow performance, financial forecasting and turnaround management; capital investment and cost of capital; and capital structure, dividend policy; and firm valuation. Prerequisite: FIN 520, plus either ECON 506 or BADM 572 or concurrent registration in either course; or MBA 505 - Section G (Finance II); or consent of instructor.

524 **Mergers and Acquisitions** credit: 4 hours.

The primary objective of this course is to give students experience in valuing firms. While the primary focus of the course is on mergers and acquisitions, the course will also cover topics such as initial public offerings, leveraged buyouts, spin-offs, and divestitures. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

541 **Real Estate Economics** credit: 4 hours.

Discusses the theory and practice of real estate and urban land economics; emphasizes real estate market analysis, finance, appraisal, and investment. Prerequisite: FIN 520, plus ECON 302, ECON 500, or equivalent; or MBA 505 - Section G (Finance II); or consent of instructor.

551 **International Finance** credit: 4 hours.

Explores the characteristics of the international financial market and examines various aspects of corporate financial management. Topics may include international parity conditions, exchange rate risk management, country risk, cross-border investment analysis, multi national firm budgeting, hedging in foreign currency markets, accessing international financial markets for financing, and competitive strategy in a global marketplace. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

561 **Financial Intermediation** credit: 4 hours.

Studies financial intermediation emphasizing analysis of problems faced by commercial bank managers. The three main areas covered are: the role of financial intermediation and its relation to the macro-economy, information technology, and government regulation; examination of the problems of pricing and evaluating the risk of bank

financial services such as loans, loan commitments, and swaps; and consideration of bank portfolio risk management. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

562 **Macrofinance** credit: 4 hours.

Overview of the workings of the financial sector of the macro economy; includes the roles of financial institutions, financial markets, macroeconomic policies, interest rates, and the flows of funds. Prerequisite: FIN 520; or MBA 505 - Section G (Finance II); or consent of instructor.

580 **Special Topics in Finance** credit: 0 to 4 hours.

Approved for both letter and S/U grading. May be repeated to a maximum of 18 hours in a semester. May be repeated to a maximum of 32 hours in subsequent semesters. Prerequisite: Varies by section.

590 **Individual Study and Research** credit: 0 to 4 hours.

Directed reading and research. Approved for both letter and S/U grading.

591 **Theory of Finance** credit: 4 hours.

Examines theoretical frameworks for financial decision making under certainty and uncertainty, as well as perfect and imperfect capital markets; discusses state preference, mean-variance, and continuous time models; emphasizes the structure of individual utility functions. Prerequisite: ECON 502; STAT 400; and admission to doctoral program or consent of instructor.

593 **Seminar in Investments** credit: 4 hours.

Investigates portfolio theory, CAPM, OPM, and arbitrage pricing theory theoretically and empirically; uses both mathematical statistics and modern econometric models to empirically analyze investment decisions and portfolio management. Prerequisite: FIN 591 and ECON 507.

594 **Seminar in Corporate Finance** credit: 4 hours.

Theories, paradigms, and models of nonfinancial corporations; investigates the theoretical foundations and empirical evidence regarding corporate resource allocation, capital structure decisions, and dividend policies; covers in detail contingent claim analysis, signaling theory, and agency theory. Prerequisite: FIN 591 and ECON 507.

595 **Seminar in Insurance** credit: 4 hours.

Reviews recent contributions to the insurance literature concentrating upon current issues and research methodology; requires students to review selected recent articles on a variety of topics; gives attention to application of finance and economic theory to insurance issues and to empirical techniques for testing hypotheses. Examples of issues include the application of asset pricing models to insurance pricing, portfolio optimization for insurance companies, capital markets and insurance cycles, moral hazard and adverse selection. Prerequisite: FIN 591.

596 **Seminar in Fin Intermediation** credit: 4 hours.

Reports and explores research in areas of commercial bank models and behavior, bank structure and regulation, interest rate theories, financial markets, and the impact of macroeconomic policies and procedures on financial markets and institutions; discusses current research and research procedures. Prerequisite: FIN 591 and ECON 503.

597 **Seminar in Real Estate Finance** credit: 4 hours.

Examines theoretical and empirical research into selected problems in urban land economics. Prerequisite: FIN 241 and ECON 302; or FIN 541; or consent of instructor.

599 **Thesis Research** credit: 0 to 16 hours.

Required for those writing master's and doctoral theses in finance. Approved for S/U grading only. May be repeated to a maximum of 16 hours.