

# FINANCE (FI)

## FI 0101 Introduction to Finance 3 Credits

**Fee:** \$105 DSB Computer Lab Fee

**Prerequisites:** AC 0011, EC 0011, EC 0012, one math course, sophomore standing.

This course provides the building blocks for understanding the role of finance in the domestic and international environments. Specifically, in a qualitative and quantitative manner, this course addresses the three interrelated fields of finance, namely: financial markets, investments, and business finance.

## FI 0190 Personal Finance 3 Credits

This course for non-majors covers financial decision-making from a personal standpoint. The course examines investments including stocks, bonds, housing purchases, and mutual funds with an emphasis on the elementary financial principles of risk and return. Other topics include life, health, and other insurance needs, and pension and estate planning.

## FI 0200 Global Capital Markets 3 Credits

**Prerequisites:** FI 0101, junior standing.

This course surveys a variety of financial instruments, institutions, and markets from a global perspective and covers the relationship between financial intermediaries and central banks. Students review the use of traditional and new financial instruments in the context of the specific markets they serve.

## FI 0210 Principles of Investment 3 Credits

**Prerequisites:** FI 0101, junior standing.

This course offers a general view of the operation of security markets and the factors that influence security prices. Further, it includes basic analysis and valuation of stocks, bonds, options, and futures. The course also provides an introduction to the tools and techniques that can be used to measure performance, manage risk, and construct efficient portfolios.

## FI 0215 Financial Management 3 Credits

**Prerequisites:** FI 0101, junior standing.

This course examines the role of financial managers in the context of the firm. The course covers the theory and operationalization of the major financial decisions faced by financial managers. Major topics include optimal financial decision-making, capital budgeting, financing, and cash distribution decisions within the framework of firm value maximization.

## FI 0240 International Finance 3 Credits

**Prerequisites:** FI 0215, junior standing.

This course deals with the international aspects of corporate finance. Topics include foreign exchange with emphasis on exchange rate determination, exchange rate risk management, international money and capital markets, international capital budgeting, cost of capital, and international trade financing.

## FI 0300 Seminar in Fixed Income 3 Credits

**Prerequisite:** FI 0210 or FI 0215.

This course provides an in depth analysis of fixed income securities and markets. The primary focus of the course is the analysis and valuation of fixed income securities. The course also provides an overview of fixed income markets and an introduction to fixed income portfolio management. Topics to be discussed include interest rate exposure (duration and convexity), credit risk analysis, hedging with swaps and futures, and the term and credit structure of interest rates.

## FI 0305 Financial Trading and Strategic Simulations 3 Credits

**Attributes:** BUEL Business Elective, FIEL Finance Elective

**Prerequisites:** FI 0210, FI 0215.

In this course, students will be introduced to the forces at work that create a market for various types of financial securities. The emphasis of the course will be to understand the microstructure of financial markets and to investigate the risks and returns of various trading strategies. Students who complete the course satisfactorily will be able to design and execute trading strategies with a firm understanding of their potential outcomes.

## FI 0310 Portfolio Analysis 3 Credits

**Prerequisites:** FI 0210, junior standing.

This course deals with the principles and applications of modern portfolio theory from the point of view of both the institutional and the individual investor. More specifically, the course analyzes portfolio objectives, efficient portfolio construction, performance evaluation, and portfolio risk management using derivatives.

## FI 0315 Futures and Options Markets 3 Credits

**Prerequisites:** FI 0210, junior standing.

This course deals with options and futures on financial assets, as well as commodities. The course covers the basic uses of these instruments and the various pricing methodologies based on equilibrium conditions.

## FI 0320 Financial Modeling 3 Credits

**Prerequisites:** FI 0210 or FI 0215; junior standing.

In this course, students will build financial models in a spreadsheet environment. Emphasis is placed on the use of financial models to conduct quantitative analysis and aid in decision making using advanced spreadsheet analytical tools and commands including simulation. The modeling assignments cover a wide range of topics in corporate finance and investment topics. The course requires group work and a final project.

## FI 0325 Seminar in Real Estate 3 Credits

**Attributes:** FIEL Finance Elective

**Prerequisites:** FI 0210 or FI 0215; junior or senior standing.

This course provides an in depth analysis of real estate debt and equity markets. Both primary and secondary markets will be studied. The course will cover the following topics: analysis of real estate markets; valuation of residential and commercial real estate; investment and financing of residential and commercial real estate property; application of financial mathematics to the calculation of payment streams, outstanding loan balances, equity returns and other basic financial measurements; secondary mortgage market securitization and the market for residential and commercial mortgage backed securities; Real Estate Investment Trusts.

## FI 0330 Case Studies in Finance 3 Credits

**Prerequisites:** FI 0210, FI 0215, senior standing.

This course examines and applies the principles developed in financial management and investments in a domestic and international context with the objective of integrating finance practice and theory using case studies.

## FI 0391 Internship 3-4 Credits

**Prerequisite:** Junior standing.

Students may take up to two semesters of a department-approved internship. Students must have a GPA of 2.5 or higher.

## FI 0392 Internship 3 Credits

**Prerequisite:** Junior standing.

Students may take up to two semesters of a department-approved internship. Students must have a GPA of 2.5 or higher.

<b>FI 0393 Internship</b>	<b>1 Credit</b>	<b>FI 0555 International Financial Management</b>	<b>3 Credits</b>
<b>Prerequisite:</b> Junior standing. Students may take up to two semesters of a department-approved internship. Students must have a GPA of 2.5 or higher.		<b>Prerequisite:</b> FI 0530. The globalization of international financial markets presents international investors and multinational corporations with new challenges regarding opportunities and risks. This course examines the international financial environment of investments and corporate finance, evaluating the alternatives available to market participants in terms of risk and benefits. Topics include exchange rate determination, exchange rate exposure, basic financial equilibrium relationships, risk management including the use of currency options and futures, international capital budgeting and cost of capital, and short-term and international trade financing.	
<b>FI 0394 Internship</b>	<b>1 Credit</b>	<b>FI 0560 Global Financial Markets and Institutions</b>	<b>3 Credits</b>
<b>Prerequisite:</b> Junior standing. Students may take up to two semesters of a department-approved internship. Students must have a GPA of 2.5 or higher.		<b>Prerequisite:</b> FI 0540. This course examines financial markets in the context of their function in the economic system. The material deals with the complexity of the financial markets and the variety of financial institutions that have developed, stressing the dynamic nature of the financial world, which is continually evolving.	
<b>FI 0397 Seminar in Finance</b>	<b>3 or 6 Credits</b>	<b>FI 0565 Derivative Securities</b>	<b>3 Credits</b>
<b>Attributes:</b> FIEL Finance Elective <b>Prerequisites:</b> FI 0210, FI 0215; Senior standing. This is a special program that involves contemporary or specialized topics in finance and may be offered as an independent study format under faculty guidance. Students must have a GPA of 2.5 or higher. Finance majors only.		<b>Prerequisite:</b> FI 0540. This course offers in-depth coverage of financial derivative securities, such as options futures and swaps. The course focuses on the principles that govern the pricing of these securities as well as their uses in hedging, speculation, and arbitrage activities.	
<b>FI 0398 Seminar in Finance</b>	<b>3 or 6 Credits</b>	<b>FI 0570 Fixed Income Securities</b>	<b>3 Credits</b>
<b>Prerequisites:</b> FI 0210, FI 0215; Senior standing. This is a special program that involves contemporary or specialized topics in finance and may be offered as an independent study format under faculty guidance. Students must have a GPA of 2.5 or higher. Finance majors only.		<b>Prerequisite:</b> FI 0540. This course deals extensively with the analysis and management of fixed income securities, which constitute almost two-thirds of the market value of all outstanding securities. The course provides an analysis of treasury and agency securities, corporate bonds, international bonds, mortgage-backed securities, and related derivatives. More specifically, this course provides an in-depth analysis of fixed income investment characteristics, modern valuation, and portfolio strategies.	
<b>FI 0400 Principles of Finance</b>	<b>3 Credits</b>	<b>FI 0575 Capital Budgeting</b>	<b>3 Credits</b>
<b>Prerequisites:</b> AC 0400; QA 0400. This course examines the fundamental principles of modern finance that are helpful in understanding corporate finance, investments, and financial markets. More specifically, the course examines the time value of money; the functioning of capital markets; valuation of stocks, bonds, and corporate investments; risk measurement; and risk management. Students learn to use sources of financial data and spreadsheets to solve financial problems.		<b>Prerequisite:</b> FI 0530. This course examines the decision methods employed in long-term asset investment and capital budgeting policy. The course includes a study of quantitative methods used in the capital budgeting process: simulation, mixed integer programming, and goal programming. Students use these techniques and supporting computer software to address questions raised in case studies.	
<b>FI 0500 Shareholder Value</b>	<b>3 Credits</b>	<b>FI 0580 Financial Risk Management</b>	<b>3 Credits</b>
<b>Prerequisite:</b> FI 0400. This course examines business decision-making with the aim of creating and managing value for shareholders. Accordingly, students learn how to lead and manage a business in a competitive environment. This involves the formulation of corporate objectives and strategies, operational planning, and integration of various business functions leading to greater shareholder value. Topics include investment and strategic financial decision-making. A business simulation facilitates the learning process.		<b>Prerequisite:</b> FI 0540. This course focuses on the evaluation and management of corporate and portfolio risk. More specifically, this course examines the methods of evaluating and managing risk with the objective of contributing to value maximization. Risk assessment methodologies such as value-at-risk (VaR) and cash-flow-at-risk (Car) are analyzed and used extensively.	
<b>FI 0530 Corporate Finance</b>	<b>3 Credits</b>	<b>FI 0585 Seminar: Contemporary Topics in Finance</b>	<b>3 Credits</b>
This course provides an exploration of theoretical and empirical literature on corporate financial policies and strategies. More specifically, the course deals with corporate investment decisions, capital budgeting under uncertainty, capital structure and the cost of capital, dividends and stock repurchases, mergers and acquisitions, equity carve-outs, spin-offs, and risk management.		<b>Prerequisites:</b> FI 0530, FI 0540. This course presents recent practitioner and academic literature in various areas of finance, including guest speakers where appropriate. Topics vary each semester to fit the interests of the seminar participants.	
<b>FI 0540 Investment Analysis</b>	<b>3 Credits</b>	<b>FI 0585D Seminar: Contemporary Topics in Finance: Rotman Trading Competition</b>	<b>3 Credits</b>
This course examines the determinants of valuation for bonds, stocks, options, and futures, stressing the function of efficient capital markets in developing the risk-return tradeoffs essential to the valuation process.			
<b>FI 0545 Portfolio Management</b>	<b>3 Credits</b>		
<b>Prerequisite:</b> FI 0540. Students examine how individuals and firms allocate and finance their resources between risky and risk-free assets to maximize utility. Students use an overall model that provides the sense that the portfolio process is dynamic as well as adaptive. Topics include portfolio planning, investment analysis, and portfolio selection, evaluation, and revision.			

**FI 0595 Research Methods in Finance 3 Credits**

**Prerequisite:** FI 0540.

This course, open to MS in Finance students only, deals extensively with applied research methods in finance, a highly empirical discipline with practical relevance in the models and theories used. The central role of risk distinguishes research methodology in finance from the methodology used in other social sciences, necessitating the creation of new methods of investigation that are adopted by the finance industry at an astonishingly fast rate. For example, methods of assessing stationarity and long-run equilibrium, as well as methods measuring uncertainty, found a home in the finance area. This course covers traditional and new research methods that are directly, and in most instances, solely applicable to finance problems.

**FI 0597 Independent Research Seminar 3 Credits**

**Prerequisite:** FI 0595.

This course, open to MS in Finance students only, provides participants with the opportunity to explore a financial topic of interest in depth, immersing students in detailed investigations requiring substantial research and analysis.