

# FINANCE (FIN)

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## FIN 506: Portfolio Theory and Policy

3 Credits

Rigorous examination and analysis of asset-holder behavior under conditions of risk and uncertainty.

## FIN 531: Financial Management

3 Credits

An intensive examination of techniques available to aid the financial manager in decision making.

**Prerequisite:** ACCTG511 or ACCTG512 ; B A 533 , SC&IS535

## FIN 532: Financial Decision Processes

3 Credits

Financial decision making under uncertainty; positive and normative models and current issues in financial management.

## FIN 550: Financial Analysis and Valuation

2 Credits

Builds upon and reinforces the theoretical and institutional finance frameworks learned in introductory business finance.

**Prerequisite:** B A 531

## FIN 570: Financial Modeling

2 Credits

Introduces and applies equity, debt, derivative models and computational techniques using Excel and Visual Basic for Applications. FIN 570 Financial Modeling (2) This course focuses on developing models, making calculations, solving real-world problems, and applying theories. Nearly all the theories applied in this course are from the area of investment management (not corporate finance). However, the concepts, tools, and skills are immediately applicable to corporate finance (such as real option valuation, treasury and cash management, capital budgeting and cost of capital calculation, analysis of M&A and financial restructuring, financial statement and logistical simulations, and programming of routine corporate finance problems.

## FIN 577: Financial Engineering and Corporate Strategy

1-3 Credits

This course provides an overview of some of the important issues and problems encountered in recognizing exposures to risk in both financial and non-financial firms, and provides students with a strategic decision-making perspective. Considerable importance will be placed on how exposures to risk affect the firm, and how risk exposures can be re-engineered to enhance firm value. An overview of financial markets and the major sources of risk exposure to the firm will be provided. Measurement of risk exposures will be discussed and various methods of managing and controlling risk will be explored. Tools of the financial engineer 'futures, options, swaps, and other derivatives' will be explained and applications will be demonstrated.

## RECOMMENDED PREPARATIONS: Smeal M.B.A. Core Courses

### FIN 588: Seminar in Corporate Finance Research

3 Credits

FIN 588 will provide students with a foundational doctoral-level understanding of key concepts within corporate finance such as contracting frictions, financing, investment, M&A, and corporate governance. Students will be required to demonstrate mastery of both the conceptual and methodological underpinnings of each core concept. Upon completing the course, students should be well-equipped to teach an introductory undergraduate or masters-level corporate finance course at a four-year college or Ph.D.-granting institution.

### FIN 590: Colloquium

1-3 Credits/Maximum of 3

Continuing seminars which consist of a series of individual lectures by faculty, students, or outside speakers.

### FIN 596: Individual Studies

1-9 Credits/Maximum of 9

Creative projects, including nonthesis research, which are supervised on an individual basis and which fall outside the scope of formal courses.

### FIN 597: Special Topics

1-9 Credits/Maximum of 9

Formal courses given on a topical or special interest subject which may be offered infrequently; several different topics may be taught in one year or term.

### FIN 599: Foreign Study--Finance

1-12 Credits/Maximum of 12

FULL-TIME GRADUATE-LEVEL FOREIGN STUDY AT AN OVERSEAS INSTITUTION WITH WHOM LINKAGES HAVE BEEN ESTABLISHED.

**Prerequisite:** acceptance in established exchange program International Cultures (IL)

### FIN 600: Thesis Research

1-15 Credits/Maximum of 999

No description.

### FIN 601: Ph.D. Dissertation Full-Time

0 Credits/Maximum of 999

NO DESCRIPTION.

### FIN 610: Thesis Research Off Campus

1-15 Credits/Maximum of 999

No description.

## FIN 805: Multinational Managerial Finance

3 Credits

The course integrates macro (global financial markets) and micro (multinational enterprise-centric) dimensions within a practitioner perspective. Students are given an overview of some of the unique global business risks and opportunities facing multinationals and how these two dimensions impact corporate financial strategies. The focus will be on applying fundamental finance concepts and analytical tools for value creation and risk management applicable as they are to multinational financial management. This course aims to prepare students for a career in multinational corporate financial management in a global setting. It helps students appreciate the strategic motivations, decision processes, and valuation consequences of global financial strategies of multinational corporations. The course facilitates developing the ability among students to plan, implement, and evaluate value adding investing, financing, and risk management strategies in the context of unique opportunities and risks in the global business and financial markets.

**Prerequisite:** FIN 531

## FIN 808: Analysis of Financial Markets

3 Credits

This course is an overview of financial markets and institutions, with an emphasis on the valuation of fixed income securities and financial derivatives. Topics will include: determinants of interest rates; the term structure of interest rates; various financial markets including money, bond, stock, and foreign exchange markets; financial derivatives including options, futures, and swaps; and the financial markets.

**Prerequisite:** FIN 531

## FIN 813: Speculative Markets

3 Credits

This course covers the valuation and uses of derivative securities. The topics include the pricing and valuation of forward contracts, futures, swaps, and options. In addition, common hedging strategies will be discussed using the financial derivatives as basic building blocks to manage financial risk exposures to equity prices, interest rates, foreign exchange rates, and commodity prices. The topics in this course are quantitative and challenging because of the conceptual complexity of financial derivatives and the precision and degree of details required in pricing and valuation of derivative instruments.

**Prerequisite:** B A 531

## FIN 855: Global Finance

1-3 Credits/Maximum of 3

This course provides a broad exploration of international finance in the context of how a corporate strategic manager analyzes the complexities of international financial markets. In particular, the course develops a tool-kit of techniques to a) understand global market interconnectivity, b) value international financial instruments and c) analyze risk, hedging, and asset pricing strategies to secure strategic competitive advantage. Building on these insights students will gain a deep understanding of exchange rates, risk management, forecasting, and international capital flows. More specifically students will study foreign exchange markets, hedging strategies using forward and future instruments, purchasing power parity, the eurocurrency market, international portfolio

management, and the overall financial management of the international firm. Students will recognize, identify and apply the following core international finance concepts and analytical strategy tools: 1. The economics of foreign trade, the Law of One Price, and Purchasing Power Parity 2. The mechanism of Capital Flows and the effect on a country's "current account" vs. its "capital account" 3. The foreign exchange market and its influence on the pricing of tradeable goods 4. How exchange rates affect consumers vs. manufacturers of tradeable goods 5. How interest rates are determined, inflation forecasting, and how interest rate expectations influence strategic decision-making for both the firm and the individual market actor. 6. How financial instruments such as forwards, futures, swaps, and options mitigate risk and reduce earnings uncertainty 7. How to build and manage a diversified international portfolio which maximizes return relative to a multinational corporation's specific risk profile.

**RECOMMENDED PREPARATIONS:** Smeal M.B.A. Core Courses

## FIN 871: Strategic Financial Management

2 Credits

The course provides an integrative study of financial management utilizing applied problems and case studies. It is intended to provide both depth and breadth to students' knowledge of corporate finance. This course gives an overview of the key concepts, tools, and principles of both strategy formulation and competitive analysis utilized by the successful corporate manager. Students will analyze the dynamic business environment that successful corporate financial managers must navigate to enhance organizational performance. The skill of decision analysis is presented and then applied by focusing on how managerial decision-making affects the performance of the modern corporate enterprise. Specific topics include capital investment decision making, value creation, strategic cost management, financial performance metrics, strategic financial planning and control, strategic restructuring and growth strategies, corporate governance, and ethics.

**Prerequisite:** B A 531 , FIN 550

## FIN 875: Fixed Income Markets

2 Credits

Discuss the fundamentals of fixed income securities and markets. Develop tools for valuing fixed income securities and managing various sources of risks in fixed income markets. The course covers traditional bonds, the term structure concepts, and recently developed fixed income derivatives. The course emphasizes the real-world applications of the theory of fixed income securities and markets.

**Recommended Preparation:** Students are assumed to have some prior knowledge in finance, especially the time value of money and other related concepts. The

## FIN 880: Corporate Finance Analytical Research Projects

2 Credits

This capstone course is the culminating experience for the Master of Corporate Finance. The aim of the capstone is to assess students' ability to synthesize and integrate the skills they have developed throughout their course work. This course is structured to support student success in fulfilling program goals and requirements. The projects students tackle will mirror what they'll encounter on the job as a significant member of the corporate planning strategic management team. The course

integrates topics and methodologies analyzed throughout the program, leading students to understand that corporate strategic analysis, and ultimately, the firm's ability to enhance shareholder value, is a holistic and multifaceted analytical process. Generally, the capstone course involves strategic financial decision-making and long-term strategic analysis. The course requires students to demonstrate advanced skill at integration and mastery of specific concepts. Specifically: capital structure and cost of capital analysis, financial forecasting, valuation, corporate control, and the environmental factors influencing capital acquisition and allocation. Analysis of the international operations as a multinational firm adds an additional layer of complexity.

**Prerequisite:** BA 831, FIN 577, FIN 855

FIN 881: Fundamentals of Financial Markets

1-3 Credits/Maximum of 3

This course provides a broad understanding of the pricing mechanism of the bond, equity, and foreign exchange markets. The course also gives students an overview of analytical methodologies that help market participants discern asset price from asset value. How can a market participant understand when they are "buying low and selling high"? In particular, the course investigates the following questions related to understanding financial markets and why this understanding is important to success as a strategic corporate manager: ¿ - What is the language of financial markets' how do market actors read financial statements with a critical eye to understand assets' future value? - What is the difference between price and value? - What, theoretically, is the "intrinsic value of an asset? What analytical techniques can the financial market participant use to approximate intrinsic value? - How are decisions made given that market results are uncertain? - How are decisions made probabilistically using the basic concepts of expected value and standard deviation? - What is the difference between an "optimal" decision using market data vs. an "accurate" decision? - How do we understand that the concept of risk is multi-layered and multi-dimensional? - Which risks are associated with which markets, i.e., bonds vs. equities etc., and how do market participants mitigate risk through hedging? - Are markets rational or are they subject to "behavioral" characteristics? - How do we understand and quantify our corporation's risk profile and how does that determine our decisions to employ capital in one asset market vs. another? At the end of the course students should have a sense that decisions to buy or sell an asset in any financial market are imperfect, and that new information alters the value of assets extremely quickly. As a result, students must develop a keen sense of how markets are moving, and why they are moving in one direction or the other. More importantly, students will realize that decisions must be made, assets must be bought or sold, and hopefully, valuation techniques lead to profitable outcomes.

**Prerequisite:** FIN 550 RECOMMENDED PREPARATIONS: Smeal M.B.A. Core Courses

FIN 883: Modern Portfolio Management: Theory and Practice

1-3 Credits/Maximum of 3

This course explores tools used by corporate portfolio managers. Topics covered include a review of the structure of the asset markets, basic pricing formulas, fundamental and technical analysis, and the different models relating risk and return, as well as portfolio management and derivative pricing. Statistical concepts such as mean, variance, covariance, and regression analysis will be used extensively throughout the course. In particular, corporate portfolio management has become part of the DNA of the organization. Tactically, how does strategic

management of corporate assets (both short- and long-term) i.e., the corporate portfolio, create shareholder value? In this course, students will gain an understanding of the theory underlying optimal portfolio construction, the different ways portfolios are actually built in practice, and how to measure and manage the risk of such portfolios. The course covers investment strategies for bonds, equities, and structured products, including the use of derivatives in managing risk as it relates to overall short- and long- term corporate strategy. Portfolio optimization and asset allocation are covered, as well as how to measure portfolio performance. Ethical investment, the role of taxation, and behavioral investment biases are also explored. At the end of the course students will be able to choose between different bonds, equities, and structured products, as well as make asset allocation decisions that match overall corporate strategic decision making. Students will also be able to decide on and know how to manage a diversified investment portfolio and its currency risk.

**Prerequisite:** FIN 550, FIN 581 RECOMMENDED PREPARATIONS: Smeal M.B.A. Core Courses