

GRADUATE COURSE DESCRIPTIONS

DEPARTMENT OF FINANCE

In the Department of Finance, the second digit of the course number denotes the subject area of the course, as follows: 2--business law; 3--real estate; 4--risk and insurance; 6--finance (capital markets and financial institutions); 7--finance (financial management); 8--finance (investment analysis/portfolio theory); 9--general courses. Prerequisites for any finance course may be waived in exceptional cases with consent of the instructor and approval of the department chair.

7300 Seminar in Real Estate (3) Questions concerning real estate finance and valuation; risk-return trade-offs under varying conditions of financial leverage; working papers examining forecasting techniques, tax shelters, real estate syndication, and real estate administration in the public sector.

7310 Real Estate Financial Decisions (3) *Prereq.: FIN 7717 or equivalent.* Decisions facing participants in the real estate market, including equity investors, lenders, and government; refinancing, selecting between alternative financing methods, sale-leaseback, sell versus continue to operate, optimal depreciation methods, alternative methods of disposition, alternative land use controls, and pricing alternative financing instruments.

7320 Advanced Topics in Real Estate (3) *Prereq.: FIN 7300 or 7310 or consent of instructor. May be taken for a max. of 6 hrs. of credit if topics vary.*

7350 Theory of Real Estate Markets (3) *Prereq.: FIN Primarily for doctoral students.* Emphasis on theoretical treatment of real estate equity and mortgage markets; real estate as a security; pricing of fixed- and adjustable-rate mortgages; secondary mortgage markets and the securitization of mortgages; development of derivative securities; models of housing markets.

7400 Risk Management and Insurance (3) Risk management from the business manager's viewpoint and as a possible alternative to insurance; risk identification and measurement; risk retention, self-insurance, and risk transfer; loss funding and risk financing; access to insurance markets (including bid specifications and company selection); loss prevention; claims administration; risk management audits and insurance surveys.

7520 Seminar in Financial Research Methods (3) *Primarily for doctoral students.* Financial economics; empirical behavior of financial markets; topics including trading rules and the efficient market hypothesis; market microstructure; event studies.

7550 Theory of Finance (3) *Prereq.: ECON 7610 or equivalent.* Theory of choice under certainty and uncertainty, time-state preference models of risk allocation, firm investment decisions, stockholder unanimity, mean-variance pricing models, arbitrage pricing models, and option pricing models.

7585 Advanced Topics in Financial Economics (3) *Prereq.: consent of instructor. May be taken for a max. of 9 sem. hrs. of credit. Also offered as ECON 7585.* Specific areas in finance and financial economics; emphasis on rigorous empirical methodologies and theory.

7632 Seminar in Commercial Banking (3) Commercial banking theory and history, quantitative techniques applied to bank asset and liability management, banking structure, markets and competition, capital adequacy and profitability.

7633 Financial Markets (3) *Prereq.: ECON 5700 and ISDS 5014.* Theoretical and empirical exposition of financial markets and institutions; their role in the economy; determination of the general level, risk structure, and the transaction structure of security returns; emphasis on U.S. financial markets.

7650 Seminar in Financial Markets and Intermediaries (3) *Prereq.: FIN 7550. Primarily for doctoral students.* Markets and intermediaries as alternative institutional mechanisms for structuring financial transactions; transaction services provided by these institutions; benefits and costs of these transaction services as determinants of the structure and extent of the financial sector.

7710 Financial Management for Governments (3) *Also offered as PADM 7710.* Role of finance in government, impacts on financial markets; role of financial management; government accounts, essential concepts of financial management; sources of government funds; allocation of funds; debt management and management of financial assets.

7718 Multinational Financial Management (3) *Prereq.: FIN 7717.* Cross border investment, investment analysis, capital planning, foreign currency exposure, and cash management; concepts of political risk assessment; techniques in transactional trade; alternate financial sources; issues in international financial controls.

7719 Advanced Financial Management (3) *Prereq.: FIN* Theory of business finance and evaluation of its usefulness to financial managers; capital expenditure, capital structure, and dividend decisions; legitimacy of alternative decision criteria; implications of uncertainty and imperfect capital markets on firm financial decisions.

7720 Topics in Business Finance (3) *Prereq.: Fin 7717.* Detailed treatment of topics not covered in depth in FIN 7719; prospectus usually available before registration.

7750 Seminar in Corporate Finance (3) *Prereq.: Fin 7550. Primarily for doctoral students.* Theory of choice under certainty and uncertainty; investment and financing decisions of the firm; the agency problem and agency costs; capital structure and dividend models related to corporate control.

7826 Investment Analysis and Portfolio Theory (3) *Prereq.: ACCT 5001 and ISDS 5014.*

Institutional elements of capital markets, mechanics of securities trading; analytic techniques for evaluating investment management; behavior of security prices, efficient diversification, techniques for measuring performance of securities and portfolios, security valuation, portfolio selection.

7849 Normative Portfolio Analysis Theory (3) *Prereq.: FIN 7719 and FIN 7550 or equivalent.*

Theoretical and practical problems of normative portfolio selection techniques and analysis; positive implications of normative models; their contribution to understanding operation of capital markets and market participants.

7850 Seminar in Investments (3) *Prereq.: FIN 7550. Primarily for doctoral students.* Speculative price as a stochastic process; information revelation in and through speculative price; normative and positive models of investment theory; applications of contingent-claims/derivative securities pricing; theory and empiricism of fixed income securities.

7855 Seminar in Options and Futures and Other Derivatives (3) *Primarily for doctoral students.* Fin 7826 and Econ 7610 or equivalent; consent of instructor; mathematical maturity required. Arbitrage and equilibrium models of derivative pricing; models derived via continuous time Ito processes and jump processes; binomial, finite difference, Monte Carlo and other numerical approaches; review of applied mathematical statistics, stochastic processes and Ito calculus.

7900 Individual Study in Finance (3) *Doctoral students may take the course for credit 3 and 6 times, respectively.* For students who wish in-depth study of a selected finance problem. Proposal outlining nature and objectives of a research project must be approved by department faculty prior to registration; written report of semester's activities and findings required for credit.

7950 Seminar in Research (1) Required of all doctoral students in business administration concentrating in finance during each semester of full-time residence; only 3 sem. hrs. may be applied toward the degree. Advanced research in finance; current research of doctoral candidates, faculty, and invited guests.

8000 Thesis Research (1-12 per sem.) S/U grading.

8900 Pre-dissertation Research (1-9) May be repeated for credit. Pass-fail grading.

9000 Dissertation Research (1-12 per sem.) S/U grading.