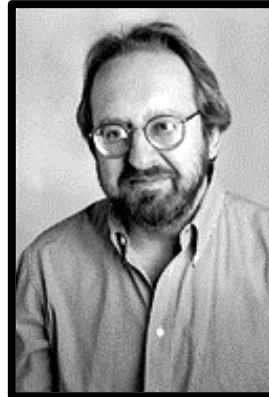


Finance

Professor Anthony Saunders
Chairperson
Department of Finance



The Department of Finance curriculum provides an understanding of the finance decision-making process and offers insight into how financial markets function. The department provides part of the necessary education for students seeking finance positions in industry, in financial institutions, or in government or nonprofit institutions.

Courses in finance are divided into two broad categories. One category focuses on microfinance issues ---corporation finance and investments. The second category focuses on macrofinance issues --- financial markets and the international financial system. All finance courses apply economic analysis, accounting, and quantitative methods to the financial problems encountered.

The Department of Finance faculty is the largest and one of the most distinguished finance faculty groups in the world. Members of our faculty are leaders in research and in textbook publication in their fields.

We hold as our mission the great tradition started by the founders of New York University: to have a department that is recognized both nationally and internationally as a leader in scholarship, and to transmit that scholarship in a professional way to students and those in industry with whom we work.

We have faculty members who have won teaching awards on every continent. Some of our faculty serve as government advisers, consultants to firms and government agencies, journal editors, trustees and directors of corporate and nonprofit firms. Our size (and the corresponding size and diversity of our student body) permits us to offer a broader spectrum of courses than is usually available to students at other institutions.

Chairman: Anthony Saunders

Deputy Chairman: Richard Levich

Professors: William Allen, Edward Altman, Yakov Amihud, Menachem Brenner, Stephen Brown, Aswath Damodaran, Edwin Elton, Robert Engle, Stephen Figlewski, Kenneth Froewiss, Martin Gruber, Joel Hasbrouck, Kose John, Robert Kavesh, Michael Keenan, Richard Levich, Rita Maldonado-Bear, Eli Ofek, Matthew Richardson, Anthony Saunders, William Silber, Roy Smith, Marti Subrahmanyam, Ingo Walter, Robert Whitelaw,

Associate Professors: Jennifer Carpenter, Jarl Kallberg, Crocker Liu, Anthony Lynch, Jianping Mei, Rangarajan Sundaram, David Yermack

Assistant Professors: Heitor Almeida, Qiang Dai, Martin Lettau, Alexander Ljungqvist, Holger Mueller, Lasse Pedersen, Gideon Saar, Alex Shapiro, Jessica Wachter, Daniel Wolfenzon, Jeffrey Wurgler

Professors Emeriti: Frank Angell, Julian Buckley, Harry Kelly, Lawrence Ritter, Fred Renwick, Arnold Sametz, Richard West

Visiting Faculty: Jacob Boudoukh, Laurent Calvet, Navin Chopra, John Doukas, Anand Goel, Florian Heider, Jay Huang, Yoram Landskroner

Instructors: Olesya Grishchenko, Vinay Nair, Paolo Pasquariello, Yiming Qian, Jason Wei, Lei Yu

Adjunct Faculty: Jeffrey Barclay, Allan Brown, Sinan Cebenoyan, Thomas Dooley, David Ellner, Brian Gendreau, Ian Giddy, Barry Gold, Peter Goodson, Robert Gordon, Max Holmes, Neil Horrell, Edward Kerschner, Richard Levine, Lawrence Longua, Stephen Mandel, Arjun Mathrani, Charles McGill, Frederick Militello, Charles Murphy, Kenneth Parkinson, Sandeep Patel, Scot Perlin, Harvey Poniachek, Avri Ravid, Arthur Rosenbloom, Gerald Rosenfeld, Nancy Rosenfeld, Robert Semmens, Jeffrey Shin, Martin Siegel, Tad Smith, William Sonnenreich, Robert Stefanowski, Robert Stovall, Frank Sullivan, Kishore Tandon, Alan Tucker, Ashok Vora, Jacob Worenklein, Arthur Zeikel, Lawrence Zicklin

Department Office: 44 West Fourth Street, Suite 9-190

Web site for new courses, seminar schedules, and other information: <<http://www.stern.nyu.edu/fin/>>

The Finance Core Course

The Department of Finance core course for M.B.A. students is *Foundations of Finance*. This course provides the necessary theoretical foundation for most of the other courses in finance and introduces students to the broad spectrum of financial markets and instruments that are the tools for modern financial management. *Foundations of Finance* is a prerequisite for all other finance courses.

Foundations of Finance

B01.2311

Prerequisites: B01.1303, B01.1305, and B011306. Note that B01.2311 is a prerequisite for other finance courses. 3 credits. Fall and spring.

This is a rigorous quantitative course introducing the fundamental principles of asset valuation within the framework of modern portfolio theory. The key analytical concepts are present value, option value, risk / diversification, and arbitrage. These tools are used to value stocks, bonds, options, and other derivatives, with applications to the structure of financial markets, portfolio selection, and risk management.

Nonmajors in Finance

Those students who are not finance majors, or who are undecided about their major, may want to consider the following courses as electives that develop some of the key issues of the core course without becoming too specialized: *Corporate Finance*, B40.2302 ---this course (which is also strongly recommended for finance majors) introduces students to most of the major issues in corporate financial management; *Equity Instruments and Markets*, B40.3331 ---a traditional course in equity analysis and selection useful for both professionals and individuals in personal portfolio management; *International Financial Management*, B40.3388 ---a course that develops the key concepts associated with international financial decisions. There are also several professional half-course electives offered each semester by distinguished adjunct faculty that may be of interest. Since the courses vary depending on the availability of these adjunct professionals, check the registration packets for each semester's offerings.

Majors in Finance

Finance majors must take four finance courses (12 credits) beyond the core course. Students may elect to take fifth and sixth courses in finance if they so desire. Majors may select their four courses from the portfolio of Department of Finance courses offered each semester.

Although it is not a requirement, we strongly urge all finance majors to take *Corporate Finance*, B40.2302. It is a necessary course for many types of work in finance, and we believe that it is one of the best corporate finance courses currently being offered in business schools around the country.

For students seeking advice on how to select their major courses we offer the following suggestions. First, remember that you are in an M.B.A. program, and not a specialized degree program in finance. Think broadly, and consider courses where you will not be receiving parallel training in your firm's own educational programs over the next five years. Second, note that we have tried to organize the courses below according to four general themes: (1) corporate finance courses, (2) financial instruments and markets courses, (3) international finance courses, and (4) advanced theory and Ph.D. finance courses. For a broader perspective, sample from among some of the groups; for a more focused set of courses, consider selecting within a group.

Students with a strong interest in highly quantitative financial engineering type finance electives should consult with the Department of Finance "Q" course advisor. That faculty person can help you select the most appropriate electives from among current M.B.A. and Ph.D. offerings here at Stern or at Courant.

Outside Electives for M.B.A. Finance Majors

With respect to electives for finance majors outside the Department of Finance, it would be useful to remember that the fields most closely related to finance, and on which finance draws for its methods and techniques, are economics and quantitative analysis. For its "applications," finance draws on accounting, information systems, marketing, and corporate strategy frames of reference. Below, we list some current outside electives that have more than normal finance content. But as managers, you may want to consider the full range of the school's electives available to you. The good news is that education does not stop with this particular degree. You will have opportunity to take many of these courses in future years and future programs as your career evolves.

We have placed in this section a list of some of the current other department electives that have more than normal finance content. Some finance major students may want to consider these courses when selecting nonmajor electives.

Economic and Financial Forecasting

B30.2361

Financial History

B30.2392

Financial Information Systems

B20.3350

An Integrated Approach to Financial Statement Analysis

B10.2303

International Financial Statement Analysis

B10.3335

Current Economic and Financial Problems: Analyses, Philosophies, and Forecasts

B30.2342

Applied Stochastic Processes for Financial Models

B90.2308

Communication for Financial Executives

B45.3310

Courses in Finance

There are four groupings: Corporate Finance, Financial Instruments and Markets, International Finance, Advanced Theory and PhD Finance Courses. In each group courses are listed in course-number sequence.

Corporate Finance

Corporate Finance

B40.2302

Prerequisite: B01.2311. 3 credits. Fall and spring.

This course presents the theory and practice of corporate finance. Topics include concepts of corporate valuation; financial statement analysis and forecasting; the evaluation of capital investments under differing assumptions about risks and the state of the world; the financing choice for capital projects; the effects of debt, equity, and derivative financial instruments on the value of the firm; dividend policy and other stakeholder forms of payment; corporate restructuring, bankruptcy, and merger; issues in corporate control and compensation.

Restructuring Firms and Industries

B40.2304

Prerequisite: B01.2311. 3 credits. Fall and spring.

This course presents a comprehensive analysis of asset and liability restructuring. Topics include industrial organization economics; mergers and acquisitions; divestitures; corporate recapitalization; bankruptcy and reorganization in and out of court workouts; legal, political, and tax impacts on industries; multinational competition. Agency theory issues and corporate governance are also considered.

Investment Banking

B40.2334

Prerequisite: B01.2311. 3 credits. Fall and spring.

A broad overview of the role of investment banking in modern societies. What functions are performed; how are these tasks carried out in competitive and noncompetitive environments. Concepts such as origination, syndication, distribution of security issues. Pricing of new issues and the management of issues in the after markets. The role of investment bankers in restructuring industry, financing governments, and facilitating saving and investment. Ethical issues investment bankers must face are considered.

Special Topics

B40.3110

Prerequisite: B01.2311. 1½ credits. Fall or spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Advanced topics of current interest are offered that illustrate current theory and empirical findings in actual case settings. The topic this year will focus on "Women at the Top". Students may only elect this course once in their degree program.

Topics in Entertainment Finance

B40.3140

Prerequisite: B01.2311. 1½ credits. Spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Topics include entertainment industry special characteristics related to incentive contracts and to complex revenue / profit sharing agreements. Cases and class discussion will also look at how entertainment companies interact with the financial markets, and how novel financing arrangements such as the securitization of receipts are changing the industry.

Topics in Corporate Finance

B40.3160

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Advanced topics of current interest are offered that illustrate current theory and empirical findings in actual case settings. Topics might focus on such issues as: corporate control; initial public offerings; investment banking; managerial compensation; pension and health planning; share repurchase; ethical issues in finance. Students may only elect this course once in their degree program.

Financial ECommerce

B40.3162

Prerequisite: B01.2311. 1½ credits. Spring.

This course focuses on the transactions and payment side of web based electronic commerce. Topics include electronic bill presentment and payment, financial electronic data interchange models that integrate trading partners and financial institutions, payment models for business-consumer payments, business-to-business electronic procurement models, web-enabled credit management. Case studies and extensive web "visiting" will be part of this course.

Private Equity Finance

B40.3165

Prerequisite: B01.2311. 1½ credits. Fall and spring.

This course examines the private equity marketplace. Private equity has become a major source of capital for both new ventures and established firms. The focus of the course will change from semester to semester. Possible topics include: capital needs and the role of private equity; venture capital and leveraged buyout financing; the roles of investor groups such as limited partners, sponsors, portfolio company managers, institutions; valuation and risk issues for private finance.

Venture Capital Financing

B40.3173

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Provides institutional background and detail necessary to deal with the venture capital and new issues markets. Examines basic valuation issues, appropriate capital structure, the value of liquidity, the value of control. Also considers the intangible aspects of entrepreneurship and venture capital forms of financing.

Mergers and Acquisitions

B40.3196

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Examines selected topics in mergers and acquisitions from the viewpoint of finance. Basic theory and empirical findings form the base for discussing such issues as: merger strategy; defensive measures in merger; the valuation of firms as a whole under differing management strategies; impact of financing considerations on various stakeholders.

Legal Risk Issues in Mergers and Acquisitions

B40.3197

Prerequisite: B01.2311. 1½ credits. Spring.

This course is designed to equip MBA students with basic knowledge necessary to evaluate advice received respecting various kinds of legal risks in mergers and acquisitions. Topics include: acquisition motivations; corporate law basics on alternative legal structures for acquisitions (with tax implications); the legal roles of the Board, management, and shareholders in M&A transactions; documentation issues (including secrecy requirements); negotiating strategies including poison pills, fiduciary outs, and deal protection provisions; pooling and purchase accounting issues; securities law regulation, and federal and state regulatory roles related to antitrust issues.

Bankruptcy and Reorganization

B40.3198

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Practical and theoretical implications of bankruptcy and distressed restructuring. Focus is primarily on corporate form organizations ranging from banks to retail firms to manufacturers. Topics include valuation effects of bankruptcy; workout strategies; the bankruptcy-reorganization process from the viewpoint of different participants; the implications of bankruptcy for banks, workers, and state and national industrial policy.

Working Capital Management

B40.3325

Prerequisite: B01.2311. 3 credits. Fall and spring.

Acquaints students with the modern techniques and practices of short-term corporate finance. The primary focus is on the management of the firm's liquid assets: cash and securities, accounts receivable, and inventories. The importance of good forecasting technique and comprehensive information systems is discussed. Cases and examples illustrate the variety of short-term financing sources and the complications on multinational working capital flows.

Business of Music and Films

B40.3343

Prerequisite: B01.2311. 3 credits. Fall.

The focus of this course is the business side of the music and film industry. Specifically, the course emphasizes the characteristics of deals, cash flows, and project and firm valuation within this highly dynamic and uncertain environment. While the core material is corporate finance, the issues encompass accounting, marketing, economics, and strategy. Outside professionals will help lead many of the discussions. Student evaluations will be based on class participation, short cases, and class projects.

Law and Business of Investment Banking

B40.3345

Prerequisite: B01.2311; for second year MBA and Law School Students. 3 credits. Spring.

This course focuses on the legal and financial aspects of three of the most commonly encountered forms of transactions in which investment bankers and lawyers guide client interests: (a) the pricing, due diligence practices, negotiation, and documentation of merger agreement or acquisition transactions; (b) the legal and financial issues associated with initial public offerings; (c) issues associated with the private placement of securities. Legal and financial issues are given equal attention in this course.

Legal Foundations of Applied Finance

B40.3346

Prerequisite: B01.2311; for second year MBA and Law School Students. 3 credits. Spring.

This course provides an introduction to how the laws of contracts, property, and other areas influence financial markets and transactions. Topics will include contract formation, damages or breach of contract, fiduciary duties, property rights, the growth and importance of intellectual property, tort liability, and the role of litigation in corporate governance. Some introduction to the structure of the United States legal system, and comparisons with other countries, will also be included.

Entrepreneurial Finance

B40.3361

Prerequisite: B01.2311. 3 credits. Fall.

This course identifies and follows the wealth creation cycle that begins with company startups, passes through successive stages of various kinds of private equity financing, and ends with the harvesting of the created wealth through a sale or merger or initial public offering. Emphasis is placed on how entrepreneurial firms adapt financing and financial contracts to the information asymmetry problems, the high degree of uncertainty, and the conflicts of interest associated with startups.

New Venture Financing

B40.3373

Prerequisite: B01.2311. 3 credits. Fall and spring.

The focus in this course is on financing entrepreneurial companies, especially start-up and early-stage ventures. The overall aim is to understand how entrepreneurs and their financial backers spot and create value. How do you tell a great opportunity from a mere "good idea"? How do you evaluate such ideas, and then negotiate funding and new venture financing contract details on compensation and other issues? What needs to be done in terms of managing such investments, or providing exit strategies? To understand how venture capital creates value, it is necessary to examine the goals and strategies of the entrepreneurs, venture capitalists, the investors backing venture capital funds, and the securities firms and public who become involved at the initial public offering stage.

Managing Financial Businesses

B55.2310

*Prerequisite: core courses. 3 credits. Spring.**for second year students; may be counted as a finance or non-finance elective*

This course looks at the management of financial service organizations during periods of rapid regulatory, cultural, and technical change. The focus is on issues as perceived by top executives. Particular industries and firms are selected for case study exploration. The focus is on three main themes: strategy and its execution, managing culture, and managing technology. Classes will be a combination of lectures, case studies, and outside speakers.

Financial Instruments and Markets*Financial History*

B30.2392

Prerequisites: B01.1303 and B01.2303. 3 credits. Fall or spring.

(see description in the Economics course listings) This is a "swing" course that may count toward the major in either finance or economics. see the registration packet for details.

Real Estate Finance

B40.2339

Prerequisite: B01.2311. 3 credits. Fall and spring.

This course is designed for students who have little or no prior knowledge of real estate. Different aspects of real estate analysis are covered, including finance, taxation, appraisal, investment analysis, development and property management. A central focus of the course is on the risk and return elements in commercial real estate financing and on how to modify the principles of corporate finance and investment theory to fit the specialized needs of real estate analysis. Topics include liquidity problems, buyer or seller informational asymmetries, and interrelatedness of financing and investment decisions. The growing role of international considerations, the importance of securitized instruments, and the changing roles of brokers are considered in the course.

Investment Philosophies in Real Estate

B40.2341

Prerequisite: B01.2311. 3 credits. Spring.

A course designed to expose students to a wide range of investment philosophies in the special context of real estate investing. Each week leading professionals or academics speak on a particular approach to real estate investing, how it is put into practice, and the extent to which it is successful.

Real Estate Market Analysis

B40.2343

Prerequisite: B01.2311. 3 credits. Spring.

This course focuses on real estate financing from an equity securitization perspective. Topics include real value factors such as location and physical condition; anatomy of lease arrangements; types of equity securitization vehicles such as REITs, CREFs, RELPs, and MLPs; international and other portfolio considerations.

Investment Strategies

B40.3122

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Subjective approach to security analysis. Topics include industry selection, market timing, interpretation of market history and cycles. Illustrations range from applications of the Dow theory to interest rate analysis to contrary opinion theories. Goal is to blend current market, political, and economic factors in with standard firm financial data to make better investment decisions.

Investment Philosophies

B40.3124

Prerequisite: B01.2311. 1½ credits. Spring.

A course designed to expose students to a wide range of investment philosophies. Each week leading professionals or academics will speak on a particular philosophy, how it is put into practice, and what determines ultimate success. The intent is to provide an unbiased forum for the presentation of different investment styles, while supplying tools and empirical evidence to enable students to make their own judgments about the relative value of these various philosophies.

Topics in Investments

B40.3176

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Topics cover professional issues in the design and use of financial instruments or in developing financial markets. Recent offerings have ranged from applying arbitrage strategies to high-technology investing, to investing for pension funds, to municipal securities markets. Students may only elect this course once in their degree program.

Topics in Real Estate Finance

B40.3177

Prerequisite: B01.2311. 1½ credits. Fall or spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Covers topical issues in real estate finance ranging from mortgage-backed securities, to regional planning factors in commercial real estate development, to innovations in syndicating development activities. Students may only elect this course once in their degree program.

Applications of Portfolio Analysis

B40.3181

Prerequisite: B01.2311. 1½ credits. Fall and spring.

Advanced professional strategies for managing portfolios and evaluating financial instruments. Topics range from arbitrage trading strategies to contrarian investing to issues in public pension fund management. Taught by leading Wall Street professionals and senior faculty.

Policy-making in Financial Institutions

B40.3312

Prerequisite: B01.2311. 3 credits. Fall or spring.

Analyzes the financial management of financial institutions. Focus is primarily on asset/liability management of bank-type institutions. Issues include: regulatory constraints; credit risk management; liquidity and interest rate considerations; securitization; financing on or off balance sheet activities. Macro issues related to financial system stability, information flows, and regulatory capital requirements and guarantees are also considered.

Behavioral Finance

B40.3329

Prerequisite: B01.2311. 3 credits. Fall or spring.

Examines the causes and effects of inefficient stock and bond markets. Topics covered include: a review of theory and evidence of efficient securities markets; empirical facts that do not fit the efficient market paradigm ---bubbles, valuation ratio spreads, momentum and market timing issues; closed-end fund discounts; limits on arbitrage that allow mispricings to persist; aspects of investor psychology that may be behind observed phenomena.

Equity Instruments and Markets

B40.3331

Prerequisite: B01.2311. 3 credits. Fall and spring.

Covers the valuation of equity securities and investment strategies utilizing them. Topics include the mathematics of equity valuation, history of stock returns, varieties of equity instruments, the many varieties of common stock risk. Reviews professional portfolio strategies and forecasting techniques; the evaluation of mutual funds and pension funds; the role of equity options and futures in stock portfolio strategies, the role of technical analysis; ethical issues in developing and using information that impacts stock prices.

Advanced Portfolio Analysis

B40.3332

Prerequisite: B01.2311. 3 credits. Fall or spring.

Builds on the conceptual foundations of the portfolio material introduced in Foundations of Finance. Course focuses on methods of constructing and evaluating portfolios in a variety of settings. Topics include complex portfolio objectives, alternative implementation strategies, measurement of portfolio performance, the role of computers and asset allocation schemes in risk management, and the macromarket impacts of portfolio strategies.

Debt Instruments and Markets

B40.3333

Prerequisite: B01.2311. 3 credits. Fall and spring.

Covers the valuation of fixed income securities and investment strategies utilizing them. Topics include the mathematics of bond valuation, immunization, history of interest rate structures, varieties of debt instruments, default and country risk considerations. The role of financial futures and options on bond portfolio strategies is analyzed, as well as more traditional approaches to debt portfolio strategies.

Futures and Options

B40.3335

Prerequisite: B01.2311. 3 credits. Fall and spring.

Covers derivative securities and markets. The primary focus is on financial futures and options, but there will also be reference to the extensive markets in commodity market instruments. Topics include market institutions and trading practices, valuation models, hedging and risk management techniques, the application of contingent claims analysis to contracts with option-type characteristics. The material is inherently more quantitative than in some other courses.

Advanced Futures and Options

B40.3340

Prerequisite: B01.2311. 3 credits. Fall and spring.

Covers advanced topics in derivative securities and markets (background equivalent to B40.3335 is needed). The course focuses on three major themes: pricing and hedging of option contracts and the implications for the design of derivative instruments and trading strategies; the relation of swaps to other fixed income contracts and implications for term structure strategies, caps, floors, swaptions; non-standard option contracts such as barrier options, exotics, insurance derivatives, hybrids. The pedagogy is a combination of lectures, discussions on current professional practice, PC-based problem sets.

Equity Markets: Trading and Structure

B40.3349

Prerequisite: B01.2311. 3 credits. Spring.

This course will take a comprehensive overview look at how markets are organized and how trading occurs. The course will establish a framework for understanding how existing markets are set up, how trading occurs in them, and how these markets evolve over time. While the course will concentrate on securities markets and trading practices, most of the principles developed are also applicable to other kinds of markets —markets for products, service, and information. Course requirements include some limited computerized trading simulations and a course paper related to some aspect of a new trading market.

Managing Investment Funds

B55.3320

*Prerequisite: B01.2311. 3 credits. Fall and spring.**formal application required; may be counted as a finance or non-finance elective*

This course is the administrative vehicle for operating the Michael Price Student Investment Fund (MPSIF). This is a real two million dollar endowment fund that is managed by students. Students serve as portfolio managers in one of the subfunds. Each participant must be prepared to take on more than one role in this activity —research analyst, trader, portfolio manager, market strategist and economist, compliance officer, public relations manager, accountant, and the other activities that real funds must undertake. There will be occasional lectures from faculty or outside speakers on special topics of interest, but the primary activity is the management of these endowment funds. This showcase opportunity is available to a limited number of students each year. Formal application is required (see the fund web site for details at www.stern.nyu.edu/mpsif). Students participate over a two semester period for the three credits.

International Finance*International Investments Analysis*

B40.3103

Prerequisite: B01.2311. 1½ credits. Spring.

Focus is on fundamental and technical security analysis applied to foreign security markets. Topics include the structure and operation of foreign stock markets, accounting/information constraints in evaluating foreign securities, the impact of multinational flows on market liquidity. Portfolio management practices and constraints in various countries are examined and evaluated against free market strategies.

Topics in International Finance

B40.3188

Prerequisite: B01.2311 or B07.2612. 1½ credits. Fall or spring.

Topics vary from semester to semester; check registration packets and department bulletin boards for current offerings. Covers topical issues in international finance. Issues may vary from the development of financial institutions in Eastern European economies, to the impact of technology on multinational capital flows, to the movements of secret money around the world. Students may only elect this course once in their degree program.

Emerging Financial Markets

B40.3384

Prerequisite: B01.2311. 3 credits. Fall or spring.

The perspective in this course is that of an investment manager who may be responsible for investment portfolios at a bank, an insurance company, a pension or endowment fund or personal trust, a mutual fund. Emerging financial markets around the world are examined. Problems considered include political risk, currency risk, excess speculation or market manipulation, differing accounting rules and standards, performance measure comparison standards. Financial investments considered range from stocks to bonds to derivatives to real estate. Class discussion and reading focus on both the theoretical background and the practical knowledge necessary to deal effectively with the risks and opportunities that are a part of emerging financial markets.

Global Banking and Capital Markets

B40.3387

Prerequisite: B01.2311. 3 credits. Fall and spring.

Analysis of the competitive performance and strategic positioning of financial institutions in multinational capital markets. Market segmentation theories are applied to markets for syndicated lending, trade finance, project financing. Considers international aspects of raising capital in multinational, multiregulatory settings. Examples may include mergers and acquisitions, joint venture capital projects, government or private partnership projects.

International Financial Management

B40.3388

Prerequisite: B01.2311. 3 credits. Fall and spring.

Analysis of key international financial markets including discussion of pricing, efficiency, and institutional features of these markets. Markets covered may include foreign exchange markets, currency futures, options and swaps, Eurocurrency and Eurobond markets. Focus is on techniques for evaluating multinational risks and return shifting factors such as international tax codes, and applying such concepts to the financial management of currency, capital, and capital projects.

Advanced Theory and Ph.D. Finance Courses*Financial Research Topics*

B40.2330

Prerequisite: permission of the departmental Ph.D. program adviser. 3 credits. Fall or spring.

This course focuses on recent research in finance. Faculty and students select recently published research or working papers from the Department of Finance seminar series, or faculty or student work-in-progress for intensive review and discussion.

Financial Theory I

B40.2331

Prerequisites: permission of the departmental Ph.D. program adviser. 3 credits. Fall.

The first course in the theory of financial decision making. Focus is primarily on individual decision making under certainty and uncertainty. Topics include valuation theory, asset selection, general portfolio theory, asset pricing theory, general equilibrium in financial markets.

Financial Theory II

B40.2332

Prerequisites: permission of the departmental Ph.D. program adviser and B30.3351. 3 credits. Spring.

The second course in the theory of financial decision making. Focus is primarily on methods of empirical financial economics. Standard econometric procedures, and the newest techniques in estimating procedures, are studied in the context of applications to financial asset pricing and to corporate finance issues.

Financial Theory III

B40.2333

Prerequisites: permission of the departmental Ph.D. program adviser and B40.2331. 3 credits. Fall.

The third course in the theory of financial decision making. The first half of this course deals with issues in corporate finance. Topics include agency theory, signaling and asymmetric information models, taxes, dividends, and capital structure. The second half of the course focuses on the pricing of options, futures, and other derivative securities instruments.

Seminar in Financial Markets

B40.3318

Prerequisites: permission of the departmental Ph.D. program adviser and B40.2332. 3 credits. Fall or spring.

Prepares advanced doctoral students for the comprehensive examination and for independent research. Focus is on current research topics in macrofinance and in the structure of financial markets.

Seminar in Corporate Finance

B40.3328

Prerequisites: permission of the departmental Ph.D. program adviser and B40.2333. 3 credits. Spring.

Prepares advanced doctoral students for the comprehensive examination and for independent research. Focus is on current research topics in corporate finance.

Seminar in Investments

B40.3338

Prerequisites: permission of the departmental Ph.D. program adviser and B40.2332. 3 credits. Fall.

Prepares advanced doctoral students for the comprehensive examination and for independent research. Focus is on current research topics in financial instruments and in portfolio theory analysis and testing.

International Finance

B40.3389

Prerequisites: permission of the departmental Ph.D. program adviser and B01.2311 or equivalent. 3 credits. Fall or spring.

Theory and analysis of international financial markets. Topics include valuation of assets under global theory assumptions; pricing of foreign exchange risk; foreign currency options and futures; international financial intermediation; topics in corporate finance are also considered. There will be an emphasis on evaluating empirical evidence related to each of the topics covered.

Honors Project Course

B40.3390

Prerequisites: B01.2311, final semester in program, and permission of the departmental Deputy Chairman. 3 credits. Fall and spring.

A restricted course primarily for advanced master's program students, giving a student an opportunity to work individually with a faculty member on a current research project. The project includes field work, written reports, and oral presentations. Students are expected to attend some of the Department of Finance research seminars and to read current research on the topic selected. Very limited enrollment.

Dissertation Seminar

B40.9901-9918

Prerequisites: permission of the departmental Ph.D. program adviser at or beyond comprehensive examination stage in the doctoral program. 18 credits. Fall and spring.

Students register for this course once they reach the comprehensive examination stage in their doctoral program. Individual meetings with the dissertation adviser and members of the reading committee.