

# FINANCE

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## Department of Finance Eli Broad College of Business and the Eli Broad Graduate School of Management

### 293 Cooperative Education for Business Students

Fall, Spring. 1(1-0) A student may earn a maximum of 3 credits in all enrollments for this course. Interdepartmental with Accounting and Economics and Hospitality Business and Management and Supply Chain Management. Administered by Supply Chain Management. R: Approval of department. SA: MSC 293

Integration of pre-professional educational employment experiences in industry and government with knowledge and processes taught in the student's academic program. Educational employment assignment approved by the Department of Supply Chain Management.

### 311 Financial Management

Fall, Spring, Summer. 3(3-0) P: (ACC 202 or ACC 230) and (STT 315 or STT 200 or STT 201 or STT 351 or STT 421 or STT 231 or STT 441) R: Open to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management and not open to students in the School of Hospitality Business. Not open to students with credit in FI 311H.

Overview of financial management for business majors. Analysis of financial statements, markets, and assets. Risk and valuation, corporate budgeting and investment decisions. International and ethical implications. Current events applications.

### 311H Financial Management

Fall. 3(3-0) P: (ACC 202 or ACC 230) and (STT 315 or STT 200 or STT 201 or STT 351 or STT 421 or STT 231 or STT 441) R: Open to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management and not open to students in the School of Hospitality Business. Not open to students with credit in FI 311.

Analysis of financial statements, markets, assets, and liabilities. Risk and valuation, capital budgeting and investment decisions. International and ethical implications. Current events and applications.

### 312 Introduction to Investments

Fall, Spring, Summer. 3(3-0) P: FI 311 R: Open only to juniors or seniors in The Eli Broad College of Business. Not open to students in the School of Hospitality Business.

Theoretical and empirical analyses of securities. Risk and return formation. Security analysis and concepts of market efficiency. Common stocks, bonds, options, futures, and mutual funds.

### 320 Introduction to Finance

Fall, Spring. 3(3-0) R: Open to students in the James Madison College or in the Apparel and Textile Design major or in the Apparel and Textiles major or in the Applied Engineering Sciences major or in the Computer Science major or in the Construction Management major or in the Economics major or in the Food Industry Management major or in the Interdisciplinary Studies in Social Science major or in the Media and Communication Technology major or in the Media Arts and Technology major or in the Natural Resource Recreation and Tourism major or in the Packaging major or in the Retailing major or in the Security Management Specialization or in the Technology Systems Management major. Not open to students with credit in FI 311.

Overview of finance for the non-business major. Stocks, bonds, mutual funds, financial statement analysis, capital budgeting, financial planning.

### 321 Theory of Investments

Fall, Spring. 3(3-0) P: FI 311 R: Open only to juniors or seniors in the Specialization in Actuarial Science or the Economics major. Not open to students with credit in FI 312.

Theoretical analysis of common stocks, bonds, options and futures. Tradeoff between risk and return, market efficiency, efficient portfolios and CAPM. Cash flow evaluation and option evaluation.

### 379 Advanced Derivatives (D)

Spring. 3(3-0) P: FI 311 R: Open to students in the Actuarial Science Specialization or approval of department. Not open to students with credit in FI 478.

Pricing, trading strategies, hedging applications, and markets for forwards, futures, swaps, and options.

### 413 Management of Financial Institutions

Fall, Spring, Summer. 3(3-0) P: FI 311 R: Open only to students in the College of Business.

Management, decision-making and policy formulation for depository and non-depository financial institutions emphasizing commercial banking. Savings banks, credit unions and non-bank financial institutions including investment banks.

### 414 Advanced Business Finance (W)

Fall, Spring, Summer. 3(3-0) P: Completion of Tier I Writing Requirement and FI 311 and (FI 312 or FI 321) R: Open to seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management.

Advanced financial management of business firms. Theoretical analysis and case applications. Capital budgeting, capital structure, valuation, risk management, mergers, and corporate restructuring.

### 425 Law and Economics

Fall. 3(3-0) Interdepartmental with Economics. Administered by Economics. P: EC 251H or EC 301

Application of economic analysis to the law. Property rights, takings, the Coase Theorem. The economics of regulation, crime and punishments, liability law, and public choice.

### 444 Entrepreneurial Finance

Spring. 3(3-0) P: FI 311 and MGT 352 R: Open to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management.

Financing, valuation and sale of entrepreneurial ventures. Business plans, financing sources, financial contracting, real options, staged investments, and exit strategies.

### 451 International Financial Management

Fall, Spring, Summer. 3(3-0) P: FI 311 R: Open only to juniors or seniors in The Eli Broad College of Business. Not open to students in The School of Hospitality Business.

Financial management of multinational firms. Theoretical and applied aspects of international capital budgeting, capital structure, cash management, asset pricing, and risk management. Cross-cultural and ethical considerations.

### 455 Computer Applications in Financial Modeling

Fall, Spring, Summer. 3(3-0) P: (FI 312 or FI 321) and (MKT 317 or STT 422 or STT 442) R: Open to students in the Finance major.

Development of computer spreadsheet-based models to analyze corporate financial strategies and valuation issues.

### 457 Security Analysis

Fall, Spring. 3(3-0) A student may earn a maximum of 6 credits in all enrollments for this course. P: FI 312 R: Not open to students in the School of Hospitality Business and open to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management. Approval of department.

Fundamental analysis of individual stocks. Discounted cash flow valuation, relative valuation, special situations. Management of a real-money stock portfolio, the Michigan State University Student Investment Fund.

### 473 Debt and Money Markets

Fall. 3(3-0) P: FI 311 R: Open only to students in the College of Business.

Role and nature of international debt and money markets. Corporate and government bond valuation, fixed income derivative instruments and bond portfolio management. Special role of "time" in debt and money markets.

### 478 Investment Strategies and Speculative Markets

Fall. 3(3-0) P: FI 311 and FI 312 R: Open only to juniors or seniors in The Eli Broad College of Business. Not open to students in The School of Hospitality Business.

Pricing, trading strategies, hedging applications, and markets for forwards, futures, swaps, and options.

### 490 Independent Study

Fall, Spring, Summer. 1 to 3 credits. A student may earn a maximum of 6 credits in all enrollments for this course. R: Open only to juniors and seniors. Approval of department.

Supervised independent study of special topics in finance.

### 491 Topics in Finance

Fall of even years. 1 to 4 credits. A student may earn a maximum of 9 credits in all enrollments for this course. P: FI 311 R: Open only to juniors or seniors.

Current and emerging issues in finance to supplement and enrich existing courses.

### 801 Managerial Finance

Fall. 3(3-0) RB: (ACC 800) and students in programs for which FI 801 is a catalog-listed requirement. R: Open only to students in Professional Accounting.

Short-, intermediate- and long-term problems. Financial planning and control. Applications in domestic and international settings.

## Finance—FI

- 805 Managerial Finance for Manufacturing and Innovation**  
Fall, Spring. 2(2-0) R: Open only to students in the Master of Science in Manufacturing and Innovation. Not open to students with credit in FI 801 or FI 862.  
Introduction to business finance. Current institutional environment, financial planning, risk and return, capital budgeting, and capital structure, including cost of capital. Basic tools for analyzing and interpreting financial data. Coverage of both for-profit and not-for-profit entities.
- 821A Cross Section and Panel Data Econometrics I**  
Fall. 3(3-0) Interdepartmental with Agricultural Economics and Economics and Statistics and Probability. Administered by Economics. P: EC 820B SA: EC 821  
Analyses of systems of equations, panel data models, instrumental variables and generalized method of moments, M-estimation, quantile regression, maximum likelihood estimation, binary and multinomial response models, Tobit and two-part models, and other selected topics.
- 821B Cross Section and Panel Data Econometrics II**  
Spring. 3(3-0) Interdepartmental with Agricultural Economics and Economics and Statistics and Probability. Administered by Economics.  
Analyses of quasi-maximum likelihood estimation, count data models, fractional response models, duration models, sample selection and attrition, stratified sampling, estimating treatment effects, stochastic frontier models, and other advanced topics.
- 822A Time Series Econometrics I**  
Fall. 3(3-0) Interdepartmental with Agricultural Economics and Economics and Statistics and Probability. Administered by Economics. P: EC 820B SA: EC 822  
Analyses of time series regression, stationary time series analysis, ARMA models, Wold decomposition, spectral analysis, vector autoregressions, generalized method of moments, functional central limit theorem, nonstationary time series, unit root processes, cointegration, and other advanced topics.
- 822B Time Series Econometrics II**  
Spring. 3(3-0) Interdepartmental with Agricultural Economics and Economics and Statistics and Probability. Administered by Economics. P: EC 822A  
Analyses of multivariate time series, time series volatility models, long memory, nonlinear time series models, and other advanced topics.
- 844 Corporate Financial Strategies**  
Spring. 3(3-0) P: MBA 822 RB: FI 851 or FI 845 R: Open only to MBA students or approval of department.  
Managerial decision-making applied to key corporate financial strategic policies. Case studies.
- 845 Financial Modeling and Simulation**  
Fall. 3(3-0) P: MBA 822 RB: FI 851 R: Open only to MBA students or approval of department.  
Applications of financial theory through computer modeling. Forecasting, cash flow modeling, valuation, portfolio optimization, risk measurement, and option pricing.
- 851 Introduction to Investments**  
Fall, Spring. 3(3-0) P: MBA 822 R: Open only to MBA students or approval of department.  
Security risk and return concepts. Portfolio analysis and concepts of market efficiency. Equity investments, bonds, options, futures, and international securities.
- 852 Financial Markets and Strategies**  
Spring. 3(3-0) P: MBA 822 and FI 851 R: Open only to MBA students or approval of department.  
Theories of domestic and international financial markets and instruments. Effects of risk and maturity on prices. Arrangement of business and portfolio risk and returns with options and futures.
- 853 Debt and Money Instruments and Markets**  
Fall. 3(3-0) P: MBA 822 and FI 851 R: Open to MBA students or approval of department.  
Fixed-income security markets. Valuation of instruments traded.
- 857 Security Analysis**  
Fall, Spring. 3(3-0) A student may earn a maximum of 6 credits in all enrollments for this course. P: MBA 822 and FI 851 R: Open to masters students in the Eli Broad College of Business and The Eli Broad Graduate School of Management. Approval of department.  
Fundamental analysis of individual stocks. Discounted cash flow valuation, relative valuation, and special situations. Portfolio implications.
- 860 International Financial Management**  
Fall. 3(3-0) P: MBA 822 R: Open only to MBA students or approval of department.  
Cross-border capital budgeting, capital structure, cash management, corporate governance, foreign currency and Eurocurrency markets, and currency risk management.
- 862 Advanced Managerial Finance**  
Spring. 3(3-0) P: MBA 822 R: Open only to MBA students or approval of department.  
Financial background and practical application of discounted cash flow (DCF), residual income (RI), and real options analysis (ROA) helpful in valuing companies and making sound managerial decisions intended to create value and increase shareholders' wealth. Development of valuation models.
- 863 Corporate Governance and Restructuring**  
Fall. 3(3-0) P: MBA 822 RB: FI 851 R: Open only to MBA students or approval of department.  
Corporate governance and restructuring. Corporate control and governance, mergers and acquisitions, corporate divestitures, financial distress and bankruptcy. International comparisons and real-world cases.
- 870 Venture Capital and Private Equity**  
Spring. 3(3-0) P: MBA 822 or FI 801  
Financing of entrepreneurial startups, venture capital, and private equity. Valuations of entrepreneurial startups, structuring venture capital, and private equity deals and partnerships.
- 878 Bank Management**  
Spring. 3(3-0) P: MBA 822 R: Open only to MBA students or approval of department.  
Nature, structure, and management of commercial banks. Products and services offered, risks, policies, and strategies. Applications in domestic and international settings.
- 890 Independent Study**  
Fall, Spring. 1 to 3 credits. A student may earn a maximum of 6 credits in all enrollments for this course. RB: MBA 822 R: Open only to graduate students in the Eli Broad College of Business. Approval of department.  
Faculty-guided research projects.
- 891 Topics In Finance**  
Fall of even years. 1 to 4 credits. A student may earn a maximum of 9 credits in all enrollments for this course. P: (FI 801 or MBA 822) or (PIM 841 and PIM 842)  
Current and emerging issues in corporate finance, investments, and financial modeling to supplement and enrich existing courses.
- 980 Theory of Finance**  
Fall. 3(3-0) R: Open only to doctoral students in the College of Business or approval of department.  
Introduction to the financial theory of the firm. Theoretical models dealing with capital structure, cost of capital, dividend policy and leasing.
- 981 Corporate Finance Theory**  
Spring of odd years. 3(3-0) RB: FI 980 R: Open only to doctoral students in the College of Business.  
Theoretical foundations. Recent empirical research in capital structure, dividend policy, and agency theory.
- 982 Investment Theory**  
Spring of even years. 3(3-0) RB: FI 980 R: Open only to doctoral students in the College of Business.  
Market efficiency, stochastic processes, option pricing, efficient set mathematics, intertemporal asset pricing and arbitrage pricing theory.
- 983 Financial Econometrics**  
Spring. 3(3-0) P: EC 818 and (EC 821 or concurrently) and (EC 822 or concurrently) R: Open only to doctoral students in the College of Business or Economics major.  
Econometric techniques of relevance to problems in finance: asset pricing. Interpretation of the results and limitations of recent empirical finance research.
- 999 Doctoral Dissertation Research**  
Fall, Spring, Summer. 1 to 24 credits. A student may earn a maximum of 99 credits in all enrollments for this course. R: Open only to doctoral students in the Department of Finance.  
Doctoral dissertation research.