

**FINANCE**

**FI**

**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 201 or ACC 230 R: Open to sophomores or juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management or in the Actuarial Science Specialization or in the Actuarial Science Major 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 201 or ACC 230 R: Open to sophomores or 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 or FI 311H) and (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.

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: Not open to students in the Accounting major or in the Business - Admitted major or in the Business-Preference major or in the Finance Major or in the Hospitality Business Major or in the Human Resource Management Major or in the Management Major or in the Marketing Major or in the Supply Chain 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 to students in the Actuarial Science Specialization or in the Actuarial Science major or in 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**

Spring. 3(3-0) P: FI 311 R: Open to students in the Actuarial Science Specialization or in the Actuarial Science major 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.

**380 Principles of Insurance and Risk Management**

Fall. 3(3-0) P: (FI 311 or FI 320) and (STT 315 or STT 351 or STT 421 or STT 441) RB: Knowledge of calculus is recommended but not required. R: Approval of department.

Overview of techniques for measuring and managing risk. Pure risks related to mortality, health-related expenses, property damage, and product liability. Management techniques studied include risk assumption, prevention, diversification, and transfer via insurance and non-insurance market mechanisms.

**393 Introduction to International Business**

Fall, Spring, Summer. 3(3-0) Fall: Abroad. Spring: Abroad. Summer: Abroad. Interdepartmental with Accounting and General Business and Business Law and Hospitality Business and Management and Marketing and Supply Chain Management. Administered by Marketing. R: Open to students in the Eli Broad College of Business and The Eli Broad Graduate School of Management or in the School of Hospitality Business.

Introduction to the context of international business delivered on-site in foreign settings. Fundamental concepts and principles of globalization such as multinational corporations, foreign markets and economies, internal and external market transactions, international law, cultural influences, and multinational business strategies.

**413 Management of Financial Institutions**

Fall, Spring, Summer. 3(3-0) P: FI 311 R: Open to students in the Eli Broad College of Business and The Eli Broad Graduate School of Management.

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 (W)**

Fall. 3(3-0) Interdepartmental with Economics. Administered by Economics. P: (EC 251H or EC 301) and Completion of Tier I Writing Requirement

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 or MKT 355) 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 to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management.

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: 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 to students in the Eli Broad College of Business and The Eli Broad Graduate School of Management.

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.

## Finance—FI

- 478 Investment Strategies and Speculative Markets**  
Fall. 3(3-0) P: FI 311 and FI 312 R: Open to juniors or seniors in the Eli Broad College of Business and The Eli Broad Graduate School of Management.  
Pricing, trading strategies, hedging applications, and markets for forwards, futures, swaps, and options.
- 480 Financial Risk Management**  
Spring. 3(3-0) P: (FI 311 or FI 320) and (STT 315 or STT 351 or STT 421 or STT 441) RB: Knowledge of calculus is recommended but not required. R: Open to undergraduate students. Approval of department.  
Ways in which risks are quantified and managed by financial institutions. Nature of financial institutions and their regulation, the Basel Accords, coherent risk measures, value at risk, copulas, credit risk, operational risk, liquidity risk, and the financial crisis of 2007.
- 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 to 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 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.
- 802 International Finance**  
Fall, Spring, Summer. 1 to 3 credits. R: Open to master's students in the Eli Broad College of Business and The Eli Broad Graduate School of Management and not open to MBA students.  
An introduction to international finance for students in the Master of Science in International Business program. Topics include the time value of money, exchange rates, international parity conditions, currency risk management, risk and return, capital budgeting, and cost of capital.
- 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, Food, and Resource Economics and Economics and Statistics and Probability. Administered by Economics. P: EC 821A  
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**  
Fall. 1 to 3 credits. P: MBA 832 or approval of department RB: FI 851 or FI 845 R: Open to MBA students or approval of department.  
Applying financial strategies to managerial decision making.
- 845 Financial Modeling and Simulation I**  
Fall. 1 to 3 credits. P: MBA 832 or approval of department RB: FI 851 R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Applications of financial theory through computer modeling. Financial forecasting, cash flow modeling, and valuation.
- 846 Financial Modeling and Simulation II**  
Fall. 1 to 3 credits. P: FI 845 or approval of department RB: FI 851 R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Application of financial theory using computer modeling. Portfolio optimization, risk measurement, and option pricing.
- 847 Corporate Strategies and Risk Management**  
Fall. 1 to 3 credits. P: FI 844 RB: FI 845 and FI 851 R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Identifying corporate strategies to help manage business, financing, and competitive risks. Case studies.
- 850 Introduction to Investments I**  
Spring. 1 to 3 credits. P: MBA 832 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Essential financial theories and quantitative tools related to the field of investments. Topics include behavior and distribution of stock returns, mean-variance optimization model of portfolio selection, basic asset pricing theories and market efficiency.
- 851 Introduction to Investments II**  
Spring. 1 to 3 credits. P: FI 850 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Investment management, portfolio performance evaluation, active portfolio management, essentials of bonds and derivatives, and essentials of international diversification.
- 852 Financial Derivatives I**  
Spring. 1 to 3 credits. P: FI 851 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Introduction to pricing, trading strategies, and hedging applications of forward and futures contracts, swaps, and options.
- 853 Debt and Money Instruments and Markets**  
Fall. 1 to 3 credits. P: MBA 832 and FI 851 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Fixed-income security markets. Valuation of traded instruments.
- 854 Fixed Income Instruments**  
Fall. 1 to 3 credits. P: FI 853 or approval of department R: Open to master's students in the Finance major and open to MBA students.  
Advanced fixed income security models. Valuation of instruments traded using derivative securities pricing.
- 855 Financial Derivatives II**  
Spring. 1 to 3 credits. P: FI 851 and FI 852 or approval of department R: Open to master's students in the Finance major and open to MBA students.  
Derivatives pricing and applications to corporate securities, structured products, and credit default swaps.
- 857 Security Analysis and Portfolio Management**  
Fall, Spring. 3(3-0) A student may earn a maximum of 6 credits in all enrollments for this course. P: FI 851 R: Open to master's students in the Finance major and open to MBA students. Approval of department.  
Fundamental analysis of individual stocks. Discounted cash flow valuation, relative valuation, and special situations. Management of student-run investment fund.
- 859 Mergers and Acquisitions**  
Spring. 1 to 3 credits. P: MBA 832 or FI 801 R: Open to master's students in the Finance major and open to MBA students or approval of department.  
Provides a broad overview of corporate mergers and acquisitions from the finance perspective.

- 860 Multinational Corporate Finance**  
 Fall. 1 to 3 credits. P: MBA 832 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
 Corporate financial management in a multinational setting.
- 861 International Financial Markets and Risk Management**  
 Fall. 1 to 3 credits. P: MBA 832 or approval of department R: Open to master's students in the Finance major and open to MBA students.  
 Financial investments and risk management in a multinational setting.
- 862 Corporate Strategy Valuation**  
 Spring. 1 to 3 credits. P: MBA 832 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
 Measuring and managing the valuation of corporate strategies.
- 863 Corporate Restructuring and Governance**  
 Spring. 1 to 3 credits. P: (MBA 832 or FI 801) and FI 859 R: Open to master's students in the Finance major and open to MBA students.  
 Provides a broad overview of mergers, corporate restructuring, divestitures and bankruptcy from the finance perspective.
- 865 Corporate Real Options Valuation**  
 Spring. 1 to 3 credits. P: MBA 832 or approval of department R: Open to master's students in the Finance major and open to MBA students.  
 Application of the real options methodology to analyze practical problems in corporate finance.
- 869 Entrepreneurial Finance and Venture Capital**  
 Spring. 1 to 3 credits. P: MBA 832 or FI 801 R: Open to master's students in the Finance major and open to MBA students.  
 Introduction to the financing and valuation of entrepreneurial startups, venture capital and private equity. How to prepare a successful business plan to raise financing from venture capitalists. Structuring venture capital and private equity deals.
- 870 Venture Capital and Private Equity**  
 Spring. 1 to 3 credits. P: (MBA 832 or FI 801) and FI 869 R: Open to master's students in the Finance major and open to MBA students or approval of department.  
 Advanced topics in the financing of entrepreneurial startups, venture capital and private equity. Valuation for entrepreneurial startups, venture capital and private equity, and institutions. Corporate venture capital. Venture capital investing and fundraising. Private equity investments. Sale of venture capital-backed entrepreneurial firms, and initial public equity offerings.
- 877 Functions and Management of Financial Institutions**  
 Spring. 1 to 3 credits. P: MBA 832 or FI 801 or approval of department R: Open to master's students in the Finance major and open to MBA students or approval of department.  
 Origin, nature, structure, and management of financial institutions. Products and services offered, risks, and strategies. Applications in domestic and international settings.
- 878 Commercial Bank Management**  
 Spring. 1 to 3 credits. P: MBA 832 or FI 801 or approval of department R: Open to master's students in the Finance major and open to MBA students.  
 Origin, nature, structure, and management of commercial banking. Products and services offered, risks, 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 832 R: Open to graduate students in the Eli Broad College of Business and The Eli Broad Graduate School of Management. Approval of department.  
 Faculty-guided research projects.
- 891 Topics In Finance**  
 Fall of even years. 1 to 3 credits. A student may earn a maximum of 9 credits in all enrollments for this course. P: (FI 801 or MBA 832) 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.
- 999 Doctoral Dissertation Research**  
 Fall, Spring, Summer. 1 to 24 credits. A student may earn a maximum of 36 credits in all enrollments for this course. R: Open to doctoral students in the Department of Finance.  
 Doctoral dissertation research.