Finance

12 Elective Hours

The Finance certificate provides a rigorous set of courses designed to develop the skills and provide the conceptual and practical knowledge base necessary to prepare students for careers in investment management and corporate finance, including portfolio management and investment analysis, banking, industry and the consulting profession.

The certificate develops an in-depth understanding of the valuation of various types of financial securities, asset pricing and management, risk management, financial modeling, corporate financial decision-making, financing of firms, and financial reporting and analysis. The specialization provides opportunities for hands-on experience through two unique courses one in which students manage a real-dollar equity fund and a second in which they manage a fixed-income (bond) portfolio.

**Required Courses:**

**FIN 5322 | Derivative Securities and Markets** (prerequisite FIN 5302)

Derivative securities, such as futures, forwards, option, and swaps are studied and analyzed along with their uses in investments, banking, portfolio management, and risk management by non-financial businesses. We will study how futures, swap, and option contracts are constructed, how they are valued and how they are used for speculation, hedging, and risk management. Particular attention is paid to energy derivatives and especially natural gas derivatives.

**FIN 5332 | Risk Management and Financial Engineering** (prerequisite FIN 5322)

The Risk Management course focuses on defining, measuring, and managing risk in financial institutions as well as non-financial corporations. The course introduces market (such as price and interest rate) risk, credit (such as default) risk, liquidity risk, and operational risk. The course covers several major techniques of risk management such as hedging with derivatives, calculating Value-at-Risk, stress testing, scenario analysis, and risk allocation. The course also covers regulation of risk management activities in financial institutions and discusses some of the reasons of the financial crisis of 2007-2008 as well as some corporate failures at risk management.
FIN 5382 | Financial Modeling

The application of quantitative concepts in financial modeling using Excel. Students will become proficient in Excel and will be able to use it in building financial models. In addition, students will have a working knowledge of quantitative concepts such as corporate valuation, portfolio theory, and Monte Carlo methods.

And any three of the following:

*FIN 5342 | Advanced Corporate Finance (prerequisite FIN 5312)

This course is intended for students aspiring to careers in financial management in corporations, banks and other financial institutions. It is designed to strengthen the corporate finance framework developed in 5312 (Corporate Finance) and extend it into the realm of real world applications. The course will cover a broad range of topics that are relevant to the corporate financial management function, including advanced capital project evaluation, financing, dividends and other corporate financial decisions, corporate risk management, and mergers, acquisitions and corporate restructuring. While the course will be rigorous and solidly grounded in the conceptual aspects of corporate finance, including current research. The course will provide a thoroughly applied perspective on the topics covered.

FIN 5352 | International Financial Management (prerequisite FIN 5302/5312)

This course will provide an integrated perspective on the topics of foreign currency and exchange rates, international financial linkages, international financial markets, and investment, financing and risk management in a global context. The first half of the course develops the analytical framework required for understanding the interactions between exchange rates, and cross-border trade and capital flows, inflation, interest rates, economic growth, and government policy. This framework will be used to study exchange rate systems and policies, and their implications, especially in the context of recent exchange rate developments. Related topics such as exchange rate determination and forecasting will also be discussed. The second half of the course examines international financial markets, and the opportunities they present for achieving risk management, financing, and investment objectives. The principal focus will be on financial instruments used for these purposes in international financial markets.

FIN 5362 | Fixed Income Fund Management

The aim of this course is to develop an intellectual and practical understanding of the principles governing the valuation of fixed income securities and their derivatives, the main problems and issues relevant in the management of interest rate risk, and the organization
and structure of debt markets, all from the perspective of fixed income fund management. The course is at the cutting edge of both theory and practice. Students in the class also manage a $5 million fixed income fund, thanks to an educational project of the Bank of Oklahoma. This sum is invested in accordance with the recommendations of this class.

**FIN 5613 | Student Investment Fund**

The management of a real dollar portfolio of common stocks using the value style approach. Emphasis is on the application of fundamental analysis. Frequent class presentations are required.

**FIN 5372 | Mergers & Acquisitions & Corporate Restructuring**

Studies the design of deals to acquire or dispose of corporate assets (taking into consideration issues of law, accounting and tax and how they affect the outcome of M&A transactions). Topics include (i) valuation of assets being sold/purchased by corporations, (ii) economic motivations for the mergers & acquisitions, (iii) structuring of the transactions, (iv) deal tactics and strategies, (v) leveraged buyouts, and (vi) corporate restructuring.

**ACCT 5352 | Financial Statement Analysis** (prerequisite ACCT 5202)

Intended to increase your ability to use and make decisions using information presented in the financial statements of publicly traded companies. A number of different decision contexts will be examined including valuation of potential acquisitions, investment analysis, credit analysis, managing corporate financing policies and analyzing business communications. Will consider the role of both accounting and non-accounting information.

*Students simultaneously pursuing the Energy and Finance specializations must substitute ENGB 5162 for FIN 5342 and cannot receive credit for both courses.*