FINANCE 121. Undergraduate Finance Research and Discussion Seminar. 1 Unit.
This seminar is designed to provide some experience with research methods and topics in finance, and to assist undergraduates with career interests in financial research, whether academic or not, with preparation for those careers. The seminar meetings are weekly and discussion based, covering a range of issues and methods in financial economics. Students are expected to prepare a 30-minute research presentation once during the quarter.

FINANCE 201. Finance. 3 Units.
This course covers the foundations of finance with an emphasis on applications that are vital for corporate managers. We will discuss many of the major financial decisions made by corporate managers, both within the firm and in their interactions with investors. Essential in most of these decisions is the process of valuation, which will be an important emphasis of the course. Topics include criteria for making investment decisions, valuation of financial assets and liabilities, relationships between risk and return, capital structure choice, payout policy, the use and valuation of derivative securities, and risk management. This course is targeted to those students who are new to finance and for those with little quantitative background.

FINANCE 204. Finance - Accelerated. 3 Units.
This course covers the foundations of finance with an emphasis on applications that are vital for corporate managers. We will discuss many of the major financial decisions made by corporate managers, both within the firm and in their interactions with investors. Essential in most of these decisions is the process of valuation, which will be an important emphasis of the course. Topics include criteria for making investment decisions, valuation of financial assets and liabilities, relationships between risk and return, capital structure choice, the use and valuation of derivative securities (e.g., options and convertible securities), and risk management. If you are comfortable with basic mathematical operations (e.g., expressions involving multiplication of multiple terms, summation of multiple terms, etc.), though familiarity with the underlying finance concepts is not expected. A good diagnostic is to skim Section 4.2 "Rules for Time Travel" (pp. 98-104) in the course textbook, Corporate Finance by Berk and DeMarzo. If you are comfortable with the level of basic mathematics involved (even if the concepts are new), 204 is a good choice. If not, you should consider Finance 201.

FINANCE 211. Corporate Finance: Applications, Techniques, and Models. 3 Units.
The focus of this basic course is on the corporate financial manager and how he/she reaches decisions. Topics include: financial modelling; financing methods of various sorts; capital investment; exchange-rate risk management; acquisitions; buyouts; and dealing with financial distress. In addition to corporations, both domestic and foreign, one session will be devoted to financing a non-profit. The course is designed as a natural follow-up to the Winter Quarter Managerial Finance course, and will draw on things learned in that course. F-211 embraces both the big picture and rigorous financial analysis. It is applied, but within a conceptual valuation-oriented framework. The primary vehicle of instruction is the case method, supplemented with lectures. The emphasis throughout is on making a decision on the basis of well supported analyses. Class participation is important, and cold calls will occur with regularity.

FINANCE 214. Accelerated Corporate Finance: Applications, Techniques, and Models. 3 Units.
The focus of this course is to apply the fundamental ideas and tools of corporate finance to real-world corporate decisions. This course (in either its basic or accelerated format) is designed to be the second course in a standard finance sequence; that is, it is designed to be the natural follow-up to the Winter Managerial Finance course. This course will develop and extend standard tools and techniques of financial analysis, valuation, and model-building, and apply these methods to a wide range of cases. Case topics will include capital structure, valuation, mergers and acquisitions, private equity and venture capital, international finance, hostile takeovers and leveraged buyouts, financial distress and bankruptcy. Students will be expected to develop detailed model-based analyses for the cases using the tools and techniques we develop in this course, and to employ their analyses to reach and defend specific recommendations for these cases.

FINANCE 221. Finance for Non-MBAs. 3 Units.
This course, intended for graduate students and advanced undergraduates, covers the foundations of finance with applications in corporate finance and investment management. It discusses many of the major financial decisions made by managers and investors, emphasizing the process of valuation. Topics include criteria for making investment decisions, risk and return, market efficiency, capital structure, and the valuation of derivative securities (e.g., options). The course also provides coverage of the major financial instruments issued by corporations. Prerequisite: ability to use spreadsheets, knowledge of basic probability and statistics concepts, including random variables, expected value, variance, covariance, and simple estimation and regression. For registration questions about this course, please contact the Graduate School of Business at academic_operations@gsb.stanford.edu.

FINANCE 229. MSx: Finance. 3 Units.
This course covers the foundations of corporate finance including the management of capital structure, financial forecasting, dividend policy, financial distress, cost of capital and capital budgeting. It discusses the major financial decisions made by corporate managers and the impact of those decisions on investors and the value of the firm. Topics include criteria for understanding the valuation of financial assets and liabilities, relationships between risk and return, market efficiency, and the role of derivative securities, including options. The course also provides coverage of the role of financial markets in the operations of the firm.

FINANCE 310. Finance - Advanced. 3 Units.
This advanced applications course brings recent advances in finance to bear on real-world challenges in investment management and corporate finance. The course is intended for MBA1 students who are familiar with the foundations of modern finance, including DCF analysis, IRR calculations, mean-variance analysis and the CAPM. Examples of broad topics covered in the class include challenges in portfolio management, performance analysis of mutual funds, hedge funds and private equity, IPOs, hedging of currency and interest rate risk, etc. To be eligible, students must have passed the placement exam in Week Zero, must have solid quantitative skills and have a willingness to analyze data.
FINANCE 319. Private Equity Investing Seminar. 4 Units.
This PE Investing seminar launched in 1993 focuses on private equity investing, including investments with control, buyouts, and minority investments at various stages in a company's life. Private equity investing activity has grown significantly over the past 2 decades. This seminar explores selected topics in private equity investing for those MBA students who take the corequisite course FINANCE 321.01, Investment Management and Entrepreneurial Finance. Private equity includes both established and early stage companies. The course extends and deepens the entrepreneurial finance area for those with an interest in private equity, venture capital and principal investing, taking a global view. Utilization will be made of original case studies and lecture-discussions, building on the framework of FINANCE 321. The Seminar meets with many outstanding investors. All those registered in F321.01 will also be registered in F319. See yellow Term Sheet put in MBA Boxes in early May. All those registered in F321.02 will also be registered in F329. See yellow Term Sheet.

FINANCE 320. Debt Markets. 4 Units.
This course is intended for those who plan careers that may involve debt financing for their businesses or other investments, or involve trading or investing in debt instruments and their derivatives, including money-market instruments including central bank deposits, government bonds, repurchase agreements, interest-rate swaps, mortgage-backed securities (MBS), corporate bonds, structured credit products, and credit derivatives. We will emphasize institutional features of the markets, including trading, pricing, and hedging. There is a special focus on distressed debt. Most lectures will start with a cold-called student presentation of an un-graded short homework calculation. There will also be a series of graded homework, an in-class mid-term, and about six graded 'pop quizzes' of 10 minutes or less.

FINANCE 321. Investment Management and Entrepreneurial Finance. 3 Units.
Our focus is fundamental value investing. Equity investment in companies, common stocks, early/growth stage ventures and private equity, deals, partnerships, hedge funds, or other entrepreneurial opportunities will be immediately or eventually important for most MBAs--either on the investing side or on the fund-raising financing side. This investment course discusses many practical and conceptual factors influencing the analysis and value of companies and deals, including publicly listed and private equity investments, and on success of investment approaches. The focus of this course is on quoted and private equity investments and on entrepreneurial finance. The format of the class is primarily case discussions and lecture discussions led by the professor and investors/principals who were involved in the case. This course enables MBA students to learn a broad investing skill-set and to study outstanding investors. See yellow Term Sheet put in MBA Boxes in early May.

FINANCE 322. Financial Intermediaries and Capital Markets. 4 Units.
This course focuses on financial markets, institutions, and instruments. We consider when and how firms raise capital through the life cycle, beginning with the capital-raising decisions and transactions for young firms and then discussing the decisions facing older, listed firms. We concentrate mainly on the firm's perspective while also considering the perspective of financial intermediaries. Issues to be considered in this course include the role of financial intermediaries like banks, the decision to go public, the pricing and role of investment banks in IPOs, bank debt, project finance, public debt, private placements, securitizations, convertibles, and markets for junk bonds.

FINANCE 324. Practical Corporate Finance. 4 Units.
The focus of this course is to apply the fundamental ideas of corporate finance to real-world problems. This course is a follow-up to the Fall course in Managerial Finance in which the basics of finance and valuation were covered. We will explore both how to make the acquired knowledge practical as well as to deepen our understanding of the core principles of finance. During the course we will analyze cases covering a wide range of topics such as capital structure, private equity and venture capital, mergers and acquisitions, hostile takeovers and leveraged buyouts, as well as bankruptcy and financial distress. These cases provide an opportunity to bridge the gap between theory and real-life situations. Students are expected to develop their own spreadsheets and provide recommendations based on their analysis of the case material. This course was formerly known as FINANCE 224. An accelerated version of this course is offered as FINANCE 331.

FINANCE 326. Derivative Securities. 4 Units.
This course is an introduction to options, futures and other derivative securities. The goal is to learn a core set of principles that underlie the pricing and use of derivatives. In particular, we will cover the valuation and use, both for risk management and for speculation, of forwards, futures, swaps, and options; the Black-Scholes option-pricing formula; delta-hedging; credit derivatives; financial risk management; and the role of derivatives in the recent financial crisis.

FINANCE 327. Financial Markets. 4 Units.
The aim of this course is to develop a thorough understanding of financial markets. We explore how investors make decisions about risk and return, how financial markets price risky assets in equilibrium, and how financial markets can sometimes malfunction. The course puts particular emphasis on the role of illiquidity: Why are there liquid markets for some types of assets but not for others? Why does liquidity often disappear in times of market turmoil? We will also study recent insights from behavioral finance about investor psychology and market inefficiencies. Moreover, we will look at financial innovations such as credit-default swaps, securitization, and hedge funds that play important roles in financial markets these days. We use cases to develop these topics in the context of practical decision-problems in the areas of asset allocation, risk management, and financing.

FINANCE 329. Investment Seminar. 4 Units.
F329 - Investment Seminar: "Global Principal Investing/Hedge Funds" is a seminar focused on selected topics in masterful investing in publicly traded with some private equity capital investments, with emphasis on the principal's point of view. We study hedge funds and mutual funds and meet with outstanding investors. The scope and context is global including emerging markets. The Seminar is taught by a founding director of one of the largest international investment funds. All those registered in F321.01 will also be registered in F319. See yellow Term Sheet put in MBA Boxes in early May. All those registered in F321.02 will also be registered in F329. See yellow Term Sheet.
FINANCE 330. Investment Management: Asset Allocation and Asset/Manager Selection. 4 Units.
This course covers strategic and tactical asset allocation in investment portfolios as well as specific asset and manager selection issues. We consider challenges that are unique to the various asset classes that comprise broad-based portfolios, including: public equities, fixed income securities, private equity (both buyout and venture capital), hedge funds, and real assets (real estate, energy, timber, and commodities). We also consider challenges that are specific to various geographies (e.g., domestic, developed international and emerging markets) across the various asset classes. The portfolio optimization framework employed considers the perspective of different types of investors that vary along such dimensions as risk preference, investment horizon, tolerance for illiquidity, tax status, social objectives, and special asset-specific relationship, information or skill advantages. More specifically, our framework considers: tradeoffs between seeking diversification to control risks, and making concentrated bets where there appears to be outsized return prospects (whether due to one-off proprietary investment opportunities or the market appearing to value certain sectors improperly); tradeoffs between passive investment (at low administrative cost and complexity) and active investment designed to produce premium returns (despite the incremental cost and complexity); distinctions between investing as principals and delegating to managers, and the importance of aligning incentives among all parties; the importance of liquidity in driving the pricing, risk and expected returns to various asset classes and the importance of identifying which parties are natural suppliers of liquidity and which the natural demanders; the importance of effective underwriting and ongoing monitoring of investment opportunities; the importance of tax considerations in the pricing and expected returns to various asset classes; and the importance of identifying which parties form the natural clienteles in each asset class. For a number of the sessions, we will invite domain experts to add spice and depth to a portion of the class discussion.

FINANCE 331. Practical Corporate Finance. 4 Units.
(Note: this course was formerly known as FIN 230) The main aim of this course is to enable students to apply the fundamental ideas of finance to problems in the area of corporate finance with all the complexities the real world entails. The course is a follow-up to the Fall Managerial Finance course where students learnt basics of valuation techniques and various finance applications. We will explore both how to make all this knowledge practical as well as how to deepen our knowledge of fundamental finance ideas. The main focus of this course is on the corporate financial manager and how he/she reaches decisions as to investments, dividends and financing of all sorts. Topics include leveraged buyouts, hostile takeovers, private equity financing and venture capital, financial distress and bankruptcy, mergers and acquisitions, managing working capital. The cases will be used to motivate our discussion of how to bridge the gap between rigorous finance theory and its application to practical problems in corporate finance. The course is case-based and more advanced than FINANCE 324. "Advanced" means that we will discuss a lot of subtle qualitative issues as well as explore deeper fundamental applications of core finance ideas. The course is intensive and will require students to prepare carefully all cases, read and understand a lot of materials, and actively participate in the class discussion. The main teaching method is cold calling.

Same as: Accelerated

FINANCE 332. Finance and Society. 3 Units.
This interdisciplinary course will discuss the role of the financial system within the broader economy and the interactions between the financial industry and the rest of society. The course will provide an overview of the financial system, cover the basic economic principles essential for understanding the role of finance in the economy, and discuss of policy issues around financial regulation. It seeks to mix students from GSB, Law School, Public Policy, Economics, Political Science, and other departments. Topics to be discussed include: * The financial system, from microfinance to global megabanks: how and why finance can benefit society as well as endanger and harm. * Financial regulation: why and how? * Other people's money: the challenge of effective control, governance, and trust. * The politics of banking and finance. * Ethical issues in finance.

FINANCE 335. Corporate Valuation, Governance and Behavior. 4 Units.
This course will develop a detailed knowledge of corporate valuation techniques, together with an understanding of the role such valuations play in a wide range of corporate financing decisions. First, the course will carefully consider different valuation techniques, the assumptions that underlie each of these methods, how they are applied in practice, how they are related to one another, and how to decide which method of valuation is appropriate for a given application. After developing these tools, they will then be applied to a wide range of corporate finance settings. Among the applications to be considered are mergers and acquisitions, international valuation, corporate governance, financial distress, agency conflicts, asymmetric information, and overvaluation. For all of these applications, this course will emphasize the central importance of valuation to understanding observed phenomena and to guiding optimal decision making, as well as the unique challenges to valuation posed by the particular application.

FINANCE 336. The Finance of Retirement and Pensions. 4 Units.
The financial economics of how retirement is financed, particularly in the US. Topics: basic finance concepts necessary for understanding individual retirement savings. Properties of financial instruments such as bonds and stocks. Optimization of individual retirement account or 401(k) portfolios. Defined benefit pensions. Measuring defined benefit pension liabilities. Impact of defined benefit pension liabilities on corporate, state, and local budgeting. The economics of national retirement policy including Social Security and government treatment of private retirement savings.

FINANCE 341. Modeling for Investment Management. 3 Units.
This course will combine practical and up-to-date investment theory with modeling applications. Understanding beautiful theory, without the ability to apply it, is essentially useless. Conversely, creating state-of-the-art spreadsheets that apply incorrect theory is a waste of time. Here, we try to explicitly combine theory and application. The course will be divided into 6 modules, or topics. The first day of each module will be a lecture on an investment topic. Also provided is a team modeling project on the topic. The second day of each module will be a lab. The lab day will begin with modeling concepts (tips) designed to help you use Excel to implement the module's investment topic. After the tips are provided, the remainder of the lab day is devoted to teams working on their modeling project and allowing for Q&A. On the third day of each module will be presentations and wrap-up.

FINANCE 345. History of Financial Crises. 3 Units.
Financial crises are as old as financial markets themselves. There are many similarities between historical events. The recent credit crisis, for example, is far from unique. More often than not financial crises are the result of bubbles in certain asset classes or can be linked to a specific form of financial innovation. This course gives an overview of the history of financial crises, asset price bubbles, banking collapses and debt crises. We start with the Tulip mania in 1636 and end with the recent credit and debt crises. The purpose of the course is to understand the causes of past crises and to develop a conceptual framework that ties common elements together. We will discuss the lessons that we can draw for financial markets today.
FINANCE 346. Institutional Money Management. 3 Units.
The object of this course is to study the money management industry from the perspective of the user --- an investor who wants to invest money. This course will study the main components of the money management industry: mutual funds, hedge funds, private equity funds and venture capital funds. It will also examine important users of the industry such as non-profits, endowments and defined benefit pension funds. The emphasis of the course will not be on how fund managers make money, but rather on how the industry is organized, how managerial skill is assessed, how compensation is determined, and how economic rents are divided between managers and investors. The course will explore how competitive market forces interact with managerial skill and other market frictions to give rise to the observed organization of the industry.

FINANCE 347. Money and Banking. 3 Units.
This course is designed to help students understand the connections between money (the Federal Reserve), financial markets, and the macroeconomy. How are interest rates determined, and how does the Federal Reserve conduct monetary policy? What economic factors drive the yield curves in different bond markets? We will pay particular attention to the banking system, with an eye toward understanding the function and importance of banks. Topics will include the role of the Federal Reserve as a lender of last resort during the recent, and prior, financial crises, unconventional monetary policy tools such as quantitative easing and forward guidance. We discuss the role of the government in regulating the financial sector, paying particular attention to capital requirements for banks. We will often begin class with a discussion of current macro-financial market events in the context of our course coverage. The course is appropriate for anyone trying to gain a macroeconomic perspective on capital markets, from investors to bankers, or those simply interested in the linkages between interest rates, banks and the economy. Given the topics we cover, the course will also be interesting to those who want a better understanding of the 2007-2009 financial crisis and the ongoing Federal Reserve experiment in unconventional monetary policy.

FINANCE 350. Corporate Financial Modeling. 4 Units.
The course will take the perspective of a mid-level manager or decision-maker who is responsible for collecting, analyzing, and utilizing financial information in the context of a major transaction. We will integrate theories presented throughout courses in the core, particularly accounting and finance, and take a hands-on approach to understand how the theory is implemented in practice. The focus of the course will be on developing critical financial modeling skills, understanding best practices, and recognizing common pitfalls. Students will work on a series of cases and build models that can be used for earnings and pro-forma financial statement forecasts, valuation, the assessment of financing needs, merger analysis, and LBO evaluation. Students will also gain experience presenting financial models and critically assessing them. By the conclusion of the course, students will develop the skills to construct complex financial models and the critical frameworks to utilize them for various organizational applications. [Note: This course is geared toward students relatively new to financial modeling; those with extensive financial modeling backgrounds may be better served by an alternative course.]

FINANCE 351. Advanced Corporate Financial Modeling. 4 Units.
Students will engage in the development of corporate financial modeling cases and solutions. Students will also develop materials to aid others in building financial models, and serve as case leaders during lab workshops. Extensive background in financial modeling and experience with Excel is required.

FINANCE 361. Behavioral Finance. 4 Units.
This course provides an introduction to behavioral finance, a discipline which integrates insights from psychology into the study of financial decisions and markets. There will be a focus on understanding the psychological underpinnings of financial decision-making as well as the institutional frictions that may allow these psychological mechanisms to influence economic outcomes. Applications include the pricing of assets relative to fundamental value, trading strategies, managerial behavior, and household savings and investment decisions. Conceptual issues will be emphasized through a mix of case discussions and lectures, and quantitative exercises will serve to develop analytical tools for making financial choices.

FINANCE 373. Entrepreneurial Finance. 3 Units.
This is a course about the financial decision-making process largely from the point of view of the CEO of an entrepreneurial venture, ranging from very early to very late stages. The course takes a two-pronged approach: First, we develop tools and concepts of corporate finance related to modeling, valuation, control, and investment decisions within an entrepreneurial context. Second, we use cases with firms at different stages of their life cycles from initial angel or venture capital investments through exit decisions, in order to see the issues that arise when these principles are applied in practice. In some cases we show the viewpoint of the entrepreneur and in others the perspective of the investor. After all, as an entrepreneur, one cannot negotiate effectively without understanding an investor's motivations. Conversely, an investor cannot evaluate a potential investment opportunity without appreciating the entrepreneur's perspective and incentives. Finally, we explore new developments in entrepreneurial finance such as crowdfunding and early liquidity provisions.

FINANCE 377. China's Financial System. 4 Units.
This course is a survey of China's financial system, including its banking industry, monetary policy structure, and financial markets (bonds, derivatives, equities, foreign exchange, and related markets). The goal is an integrated view of how capital, risk, and liquidity are intermediated within the financial system, monetary policy structure, and financial markets (bonds, derivatives, equities, foreign exchange, and related markets). The goal is an integrated view of how capital, risk, and liquidity are intermediated within China and cross-border, by comparison with more developed financial systems. Recent history and current trends (including liberalization of markets) will be emphasized. Coverage will be through lectures, reading of both primary source documents and secondary (journalistic and analyst) commentary, as well as a range of speakers who are subject matter experts. Students will participate actively in class discussion, make a 5-minute topical presentation, and submit a short (10-page) paper.nn
FINANCE 381. Private Equity in Frontier Markets: Creating a New Investible Asset Class. 4 Units.
In 2001, Jim O’Neal of Goldman Sachs wrote a research note which underscored the importance of so-called Emerging Markets to a well-balanced investment portfolio. Still today, most investors have little or no investment exposure beyond North America, Europe, Japan and more recently India, China and Brazil. All of this is just beginning to change.

The not yet fully formed investment category called frontier market private equity is emerging and within the next decade is likely to be an asset class of its own. Private equity investments are being made in southeast Asia, in MENA.Middle East/ North Africa), in sub-Saharan countries beyond South Africa and in Latin America. Even fund of funds are appearing across these markets. At the same time, investors face a world of diminished returns expectations in developed economies just as aging demographics and the need for continued growth, innovation and infrastructure renewal places increasing demands for payout. Suffice it to say, investors will be looking beyond traditional asset classes and geographies for sources of return. This new course is designed to expose you to the still emerging, not yet fully formed world of frontier market private equity. To set the context we will start by reviewing the fundamentals of economic growth and development globally. In addition we will discuss the fundamental concepts involved in constructing and evaluating the performance of a large scale investment portfolio. We will then review cases on the elements of the private equity cycle/process and specifically address the special demands of frontier markets in general. We will also focus on issues that are specific to various markets (e.g. Nigeria, Vietnam, etc.). Students taking the course will be given the opportunity to make important contributions to the knowledge base of this still very young field by working in small teams to research topics of personal and general interest, the results of which will be reported to the rest of the class.

FINANCE 385. Angel and Venture Capital Financing for Entrepreneurs and Investors. 4 Units.
This course covers all the stages of funding for early stage high-growth companies, from seed funding to venture capital rounds to a successful exit. We will concentrate on how entrepreneurs and investors make and should make important decisions. Examples of issues that we will cover are: How can entrepreneurs raise funding successfully? What are typical mistakes entrepreneurs make in raising capital and negotiating with investors? How to choose your investor? How to pitch to an investor? How do angels and VCs generate and process their deal flow and select companies? How are VCs involved in business decisions such as recruiting talent and replacing CEOs? What are the important provisions of financial contracts between VCs and founders? How to value early-stage companies? The course is very applied and mostly case-based. We will discuss a lot of nitty-gritty details that is a must for founders and investors. As a part of the course, students will work on their business ideas, pitch to classmates and a group of top VCs in the Valley. This VCs will work with student groups as VC advisors and we will simulate the VC partner meetings. We will have a lot of speakers and case protagonists, founders, angels, and VCs. No prior knowledge of the VC industry is needed.

FINANCE 484. The Political Economy of Banking Regulation in US and Europe. 1 Unit.
The 2007-09 financial crisis exposed the extreme fragility of the financial system and the harm financial crises can cause. Have regulatory reforms in the US and Europe been effective and, if not, how and why? Does it matter if some institutions are “too big to fail,” and, if so, how and why? This course will discuss the economic and political forces that are shaping the financial system in US and Europe and evaluate recent and current events that will have important implications for the economy for many years. We will see how politics trumps economics in Washington, London and Brussels in different but broadly predictable ways.

FINANCE 555. Private Wealth Management and Private Investing. 2 Units.
The Private Wealth Management and Private Investing course will address issues that relate to the management of personal assets as opposed to institutional investing. It will cover the historical origins and growth of private wealth management, investment planning, risk management, inter-generational transfers of wealth, philanthropy and tax planning. Classes will focus on case studies and various readings. Two instructors will lead the class, one from the GSB and one from the private wealth management industry. Most classes will be augmented by visits from professionals in the wealth management and private banking business. Active class participation and a group project are required.

FINANCE 559. The World of Investing. 1 Unit.
This course is a speaker series, exposing students to the world of first-class investors and their philosophies. Each week will have a different visitor describing their investment strategy and experience. Attendance at all sessions is a requirement to pass the course.

FINANCE 562. Financial Trading Strategies. 2 Units.
The purpose of this course is to familiarize students with the different types of trading strategies employed by various money management institutions. These financial trading strategies are used to manage the risk and return profiles of specific portfolios. Throughout the sessions, students will be challenged to understand and explore the application and implementation of these different strategies. Trading simulations employed on the Rotman Interactive Trader and Rotman Portfolio Manager (using real market data and computer generated data) will be used extensively in this course as a way to learn and test different strategies. All classes will be held in the new Real-time Analytics and Investment Lab (RAIL), located on the third floor of the Bass Building (B312). Students are expected to attend all sessions. Graded are based on in-class simulation results, class participation, and two written assignments. This course is designed to have a fast learning curve and is a pre-requisite for FIN563, the advanced extension of this course.

FINANCE 563. Financial Trading Strategies 2. 2 Units.
This course is an extension of FIN562, Financial Trading Strategies. Students will expand on introductory topics from the Financial Trading Strategies Course and be required to build extensive live-market models and risk management models. Class discussions will closely link current market events and pricing anomalies to theoretical and simulated markets and we will closely study the deviations between them.

FINANCE 587. Private Equity - An Overview of the Industry. 2 Units.
This 2-unit elective at the GSB is an analytical review and overview of private equity partnerships. The course looks at all aspects of private equity investing and may be of interest to five groups of students: (i) students who plan to be employed by operating companies that are owned by private equity partnerships. The course looks at all aspects of private equity investing and may be of interest to five groups of students: (i) students who plan to be employed by operating companies that are owned by private equity firms; (iii) students who may invest in private equity partnerships as a limited partner; (iv) students who find private equity to be an interesting part of the financial community in general; (v) students who expect to participate in corporate business development or mergers and acquisitions. The course will meet for nine classes, most for a duration of 90 minutes. One class will be a mock investment review committee presentation as a final project.

FINANCE 620. Financial Markets I. 3 Units.
This course is an introductory PhD level course in financial economics. We begin with individual choice under uncertainty, then move on to equilibrium models, the stochastic discount factor methodology, no-arbitrage pricing and corporate finance. We will also address some empirical puzzles relating to asset markets, and explore the models that have been developed to try to explain them.
FINANCE 621. Financial Markets II. 3 Units.
This course continues F620 and covers a number of main concepts in
market microstructure. Among the topics that are covered are (i) Rational
Expectations models and their foundations (ii) strategic trading models (iii)
models of market and funding liquidity. In addition to the discussion of
theoretical models time will be allotted to empirical applications.

FINANCE 622. Dynamic Asset Pricing Theory. 4 Units.
This course is an introduction to multiperiod models in finance, mainly
pertaining to optimal portfolio choice and asset pricing. The course begins
with discrete-time models for portfolio choice and security prices, and
then moves to a continuous-time setting. The topics then covered include
advanced derivative pricing models, models of the term structure of
interest rates, the valuation of corporate securities, portfolio choice in
continuous-time settings, and general-equilibrium and over-the-counter
asset pricing models. Students should have had some previous exposure
to general equilibrium theory and some basic courses in investments.
Strong backgrounds in calculus, linear algebra, and probability theory are
recommended. Problem assignments are frequent and, for most students,
demanding. Prerequisite: F620 or permission of instructor.

FINANCE 624. Corporate Finance Theory. 4 Units.
This course considers a wide range of topics in theoretical corporate finance
(broadly interpreted). Topics include capital structure decisions, agency
conflicts in the firm, dividend policy, security design, optimal financial
contracting, the theory of the firm, the market for corporate control, and
banking and financial intermediation, among others. The primary focus is
on how asymmetric information, agency conflicts, strategic interactions,
and incomplete contracting affect corporate financial decision-making.
The course aims both to familiarize students with influential papers and current
research, and to promote new research ideas in the area.

FINANCE 625. Empirical Asset Pricing. 4 Units.
The course is an introduction to empirical research in asset pricing. The
focus of the course is on the interplay between financial economic theory,
econometric method, and that analysis of financial market data. Topics
include tests of asset pricing models, return predictability in time-series and
cross-section, empirical studies of asset market imperfections, and studies
of individual and professional investor behavior. Class discussions will
draw on textbooks/monographs and original articles and working papers.

FINANCE 626. Advanced Corporate Finance. 3 Units.
This is a course on contemporary theoretical and empirical issues in
corporate finance. Building upon the first-year courses in corporate finance
theory and empirical methods in finance, we will examine issues in
asset pricing applications to corporate finance, dynamic capital structure
(dynamic financing decisions), financial distress, financing and investment
interactions, and behavioral corporate finance. Both conceptual economic
frameworks and econometric methods will be developed as needed. A
requirement for this course is that students complete two written projects,
one theoretical and one empirical, and at least one of these projects will be
presented to the class.

FINANCE 628. Finance Pre-Seminar Reading Course. 1 Unit.
Finance Pre-Seminar Reading.

FINANCE 630. Empirical Corporate Finance. 3 Units.
This course provides an introduction to empirical research in corporate
finance, with an emphasis on the application of cross-sectional and
panel data econometric techniques for causal inference. Topics include
investment policy, entrepreneurship and innovation, financing decisions,
firm ownership, corporate governance, managerial incentives, financial
contracting, and the structure and internal organization of firms. The course
assumes knowledge of econometrics at the level of MGTECON 603.

FINANCE 632. Empirical Dynamic Asset Pricing. 4 Units.
This course explores the interplay between dynamic asset pricing theory,
statistical assumptions about sources of risk, and the choice of econometric
methods for analysis of asset return data. Therefore, the lectures will be
a blend of theory, econometric method, and critical review of empirical
studies. Both arbitrage-free and equilibrium preference-based pricing
models will be discussed, with particular emphasis given to recent
developments and outstanding puzzles in the literature. The prerequisites
for F632 are MGTECON 603 - 604, Finance 620, Finance 622, and
Finance 625. In particular, I will assume familiarity with dynamic asset
pricing theory, at the level of F622; and large-sample theory for least-
squares, generalized method-of-moments, and maximum likelihood
estimation methods. We will review these methods in the context of specific
applications, but this material will not be developed in depth.

FINANCE 633. Advanced Empirical Corporate Finance. 4 Units.
This class is devoted to recent developments in the empirical corporate finance
literature. Topics include: financial contracting, liquidation and
renegotiation, taxation and capital structure, the role of labor markets,
leveraged buyouts, executive compensation, the causes and consequences of
the financial crisis, and implications of finance for the public sector.
The class is very interactive. Many of the sessions will consist of student
presentations about the papers from the reading list. We will also further
explore empirical methods relevant for applied research in corporate
finance, with a focus on identification and panel data issues.

FINANCE 635. Advanced Topics in Empirical Asset Pricing. 3 Units.
This course will survey current research topics in empirical asset pricing.
The emphasis will be on giving students exposure to active research areas
and open questions rather than well-established areas and empirical
techniques. Topics may include liquidity, capital market frictions,
money management, volatility, investment-based asset pricing, return
predictability, bubbles, and consumption-macro asset pricing models.

FINANCE 637. Macroeconomics and Financial Markets. 4 Units.
This course will cover research topics at the boundary between
macroeconomics and finance. Topics may include the study of
macroeconomic models with financial frictions, conventional and
unconventional monetary policy, its transmission mechanism and the
term structure of interest rates, sovereign debt crises, search frictions
and segmentation in housing markets, (over)leveraging by households,
heterogeneous expectations, excess volatility, financial bubbles and crises.

FINANCE 691. PhD Directed Reading. 1-15 Unit.
This course is offered for students requiring specialized training in an
area not covered by existing courses. To register, a student must obtain
permission from the faculty member who is willing to supervise the
reading.
Same as: ACCT 691, GSBGEN 691, HRMGT 691, MGTECON 691,
MKTG 691, OB 691, OIT 691, POLECON 691, STRAMGT 691

This course is elected as soon as a student is ready to begin research for
the dissertation, usually shortly after admission to candidacy. To register, a
student must obtain permission from the faculty member who is willing to
supervise the research.
Same as: ACCT 692, GSBGEN 692, HRMGT 692, MGTECON 692,
MKTG 692, OB 692, OIT 692, POLECON 692, STRAMGT 692

FINANCE 698. Doctoral Practicum in Teaching. 1 Unit.
Doctoral Practicum in Teaching.

FINANCE 699. Doctoral Practicum in Research. 1 Unit.
Doctoral Practicum in Research.

FINANCE 802. TGR Dissertation. 0 Units.
Same as: ACCT 802, GSBGEN 802, HRMGT 802, MGTECON 802,
MKTG 802, OB 802, OIT 802, POLECON 802, STRAMGT 802