FINANCE (FINANCE)

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. To be considered for enrollment in this course, please complete and submit this short application by December 3, 2018, 11:59pm PST. Students accepted to participate in this course will be notified on December 7, 2018 by 6:00pm. Link to application: https://goo.gl/forms/F1zadQcTaJBlchm83.

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, use and valuation of derivative securities, and risk management. No previous background in finance is required or expected for this course. Content will be comparable to F201, but the majority of course lecture material will be delivered online, with in-class sessions devoted to applications of key concepts. This "flipped classroom" version of the course is intended for self-motivated students with an interest in applications. Prerequisite material for the course will be posted online in the fall. Same as: Lab-based Pilot

FINANCE 205. Accelerated Managerial 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 of 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 207. Corporations, Finance, and Governance in the Global Economy. 3 Units.
As entrepreneurs, global leaders, and change agents tasked with developing transformative solutions of tomorrow, you will need certain skills and tools to interact with and navigate the complex and ever-changing financial landscape. This course focuses on the development of these skills and tools through the analysis of concise real-world financial situations around the globe. Topics include valuation of cash flows and control; the capital structure, payout policy and governance of both mature and entrepreneurial firms; restructuring and managing financial distress; the use of public markets to obtain liquidity and multiple share classes to retain control; financing and governance in venture capital and private equity; the rise of activism; and social responsibility and debates about the objectives of the firms of the present and future. This course is taught jointly by Professors Rauh and Seru.

FINANCE 211. Corporate Finance: Applications, Techniques, and Models. 3 Units.
This course will develop and apply the basic tools and models of corporate finance to real-world corporate decisions. This course is designed to be the second course in the 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 mergers and acquisitions, private equity, corporate governance, capital structure, agency conflicts, and corporate restructuring. For all of these applications, this course will emphasize the central importance of financial analysis, valuation, and modeling to guiding optimal decision making.

FINANCE 214. Accelerated Corporate Finance: Applications, Techniques, and Models. 3 Units.
This course will develop and apply the basic tools and models of corporate finance to real-world corporate decisions. This course is designed to be the second course in the 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 mergers and acquisitions, private equity, corporate governance, capital structure, agency conflicts, and corporate restructuring. For all of these applications, this course will emphasize the central importance of financial analysis, valuation, and modeling to guiding optimal decision making.
FINANCE 229. MSx: Finance. 3 Units.
This course covers the foundations of finance with an emphasis on applications that are vital for corporate managers. We will consider many important financial decisions made by corporate managers, both within the firm and in their interactions with investors. Essential to most of these decisions are financial valuations, 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, and capital structure choice.

FINANCE 305. Capital Markets and Institutional Investing. 3 Units.
This course teaches recent advances in asset allocation and management. We focus on the practical implementation of asset allocation and management tools in allocating assets, selecting asset managers and managing risk. Students apply these tools to real-time data in the computer lab. Topics covered include Asset Allocation; Delegated Asset Management and Manager Selection applied to Mutual Funds, Hedge Funds and Private Equity Funds; Multi-factor models and Factor Investing. The class will be co-taught by Kevin Mak, the director of the Real-Time Investment and Analysis Lab at Stanford. Robert Wallace, the CEO of Stanford Management Company, will guest-lecture.

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 goal of this course is to develop a deeper understanding of how capital markets actually work, drawing on recent advances in modern finance. We discuss the implications for financial decision making by managers and investors. The course is intended for MBA1 students who are familiar with the foundations of finance, including discounted cash flow (DCF) analysis, internal rate of return (IRR) calculations, mean-variance analysis and the Capital Asset Pricing Model (CAPM). Examples of broad topics covered in the class include corporate capital structure decisions, 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 315. Innovating for Financial Inclusion. 3 Units.
This MBA elective explores innovative ways that start-ups are expanding the financial capacities of households and small businesses. What are the financial frictions that household/business facing impactful FinTech startups are addressing? What economic and behavioral forces are governing the successes of these startups? How is the choice of funding/business model impacting growth/scaling strategies? How is the competitive landscape evolving for traditional banks, established tech platforms, and FinTech startups? While the center of attention will be on disruption of financial services within the US legal and regulatory environments, we will frequently highlight recent innovations in Asia, Europe, and Latin America.

FINANCE 319. Private Equity Investing Seminar. 3 Units.
The Investments courses comprise an intensive overview of active fundamental investing in both the public and private equity markets. They are relevant for students who intend to pursue careers in private or public equity investing, as well as those who want to better understand investing from the perspective of an entrepreneur or individual. The vast majority of sessions will feature an outstanding investor guest lecturer. Previous guests included Andreas Halvorsen (Viking Global), Jim Coulter (TPG), Hadley Mullen (TSG Consumer Partners), Ryan Cotton (Bain Capital), Bill Oberndorf (SPO Partners) and Tim Bliss (Investment Group of Santa Barbara), and this year’s lineup will be substantially similar. Established and taught for 50 years by the legendary Professor Jack McDonald, the Investments courses will be taught by John Hurley, founder of Cavalry Asset Management and Professor Steve Grenadier in Autumn 2019. Students are required to take F319 and F321 concurrently for 5 total units during the Autumn Quarter. F321 is a 2-unit compressed course that meets MWF from 3:00-5:50pm during Weeks 1 and 8 of the quarter. It addresses real-world applications of business analysis and valuation tools and teaches the skills necessary to evaluate investment opportunities. F319 is a 3-unit course that meets Tu/Th 1:30-2:50 PM throughout the quarter. Students delve into specific topics in private equity, venture capital, hedge funds, mutual funds and principal investing. Students can elect to take F319 graded or pass/fail. The Investments courses will make use of original case studies and teaching notes authored by the late Professor Jack McDonald and a team of course alumni from prior MBA classes. Case discussions and lecture discussions will be led by the teaching team and investors/principals who were involved. The Investments courses enable MBA students to learn a broad investing skillset and study the careers of outstanding investors.

FINANCE 320. Debt Markets. 3 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, government bonds, repurchase agreements, interest-rate swaps, mortgage-backed securities (MBS), corporate bonds, structured credit products, and credit derivatives. We will emphasize the 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, a take-home mid-term, and about seven graded ‘pop quizzes’ of 10 minutes or less.
FINANCE 321. Investment Management and Entrepreneurial Finance. 2 Units.
The Investments courses comprise an intensive overview of active fundamental investing in both the public and private equity markets. They are relevant for students who intend to pursue careers in private or public equity investing, as well as those who want to better understand investing from the perspective of an entrepreneur or individual. The vast majority of sessions will feature an outstanding investor guest lecturer. Previous guests included Andreas Halfvorsen (Viking Global), Jim Coulter (TPG), Hadley Mullen (TSG Consumer Partners), Ryan Cotton (Bain Capital), Bill Oberndorf (SPO Partners) and Tim Bliss (Investment Group of Santa Barbara), and this year’s lineup will be substantially similar. Established and taught for 50 years by the legendary Professor Jack McDonald, the Investments courses will be taught by John Hurley, founder of Cavality Asset Management and Professor Steve Grenadier in Autumn 2019. Students are required to take F319 and F321 concurrently for 5 total units during the Autumn Quarter. F321 is a 2-unit compressed course that meets MWF from 3:00-5:50pm during Weeks 1 and 8 of the quarter. It addresses real-world applications of business analysis and valuation tools and teaches the skills necessary to evaluate investment opportunities. F319 is a 3-unit course that meets Tu/Th 1:30-2:50 PM throughout the quarter. Students delve into specific topics in private equity, venture capital, hedge funds, mutual funds and principal investing. Students can elect to take F319 graded or pass/fail. The Investments courses will make use of original case studies and teaching notes authored by the late Professor Jack McDonald and a team of course alumni from prior MBA classes. Case discussions and lecture discussions will be led by the teaching team and investors/principals who were involved. The Investments courses enable MBA students to learn a broad investing skillset and study the careers of outstanding investors.

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 spreadsheet models and provide recommendations based on their analysis of the case material.

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 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 crisis of 2008, 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
Euro crisis. 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? How do Federal Reserve
actions impact the US as well as other economies? 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, valuation, and regulation of banks. We
touch on a number of topics including the role of the Federal Reserve
as a lender of last resort during financial crises, unconventional
monetary policy tools such as quantitative easing and forward guidance,
cryptocurrency, and emerging market financial crises. We will often begin
class with a discussion of current macro-financial market events in
the context of our course coverage.

FINANCE 350. Corporate Financial Modeling. 4 Units.
This course will expose students to the fundamentals, best practices,
and advanced techniques of corporate financial modeling. We begin with
basic operating and integrated financial statement models, and ultimately
develop financial models to analyze major corporate transactions,
including venture capital funding, mergers and acquisitions, and leverage
buyouts. We will integrate theories presented throughout the MBA core,
particularly those from 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
valuation. 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
logical frameworks to utilize them for various organizational applications.

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 356. 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 362. Financial Trading Strategies. 3 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. Grades are based
on in-class simulation results, class participation, and two written
assignments.
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. 3 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, alternative asset management, and related markets). The goal is an integrated view of how capital, risk, and liquidity are intermediated within China and cross-border. Current trends (including liberalization of markets and financial stability) will be emphasized. Coverage will be through lectures, reading of research, including primary source documents and secondary (journalistic and analyst) commentary. There will be a range of subject-matter-expert speakers. Using our special High Immersion Classrooms at Stanford and at the Stanford Center at PKU, this course is able to draw live speakers in Beijing and to meet with some students at Beijing University or Tsinghua University. Students will participate actively in class discussion, make a 5-minute research presentation, and submit a 10-page term paper.

FINANCE 381. Private Equity in Frontier Markets: Creating a New Investible Asset Class. 4 Units.
In 2001, Jim O’Neill 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. This course will not be offered next academic year, 2017-2018.

FINANCE 385. Angel and Venture Capital Financing for Entrepreneurs and Investors. 3 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. Case protagonists, founders, angels, and VCs will be among guest speakers. No prior knowledge of the VC industry is needed.

FINANCE 454. 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 Personal Investing. 2 Units.
The Private Wealth Management and Personal Investing course will address issues that relate to the management of personal assets as opposed to institutional investing. Many investment courses at the GSB emphasize large institutional portfolios but this course is about portfolio decisions for individuals. It will cover the origins and growth of private wealth management as an industry, investment planning, risk management, inter-generational transfers of wealth, choice of wealth advisors and philanthropy. Special emphasis is on understanding how wealth managers may be evaluated, including potential conflicts of interest, and performance measurement. Classes will focus on case studies and various readings. Each class will include visits from professionals in the wealth management and personal investing 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 "Overview" of the private equity industry including its reason for being, its growth and the various strategies for success that private equity firms employ. The course looks at all aspects of private equity partnerships and private equity investing. The course may be of particular interest to five groups of students: (i) students who aspire to be employed in private equity as a career; (ii) students who plan to be employed by 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 services industry; and (v) students who expect to participate in corporate business development or mergers and acquisitions. The course will meet for nine classes. Each class will have at least one senior partner from a private equity firm to comment on the activities of his firm. In years past, some of the true leaders of the industry have participated. 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, and no-arbitrage pricing. 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 finally 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 and MGTECON600 (or equivalent), 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. 3 Units.
This 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 627. Venture Capital and Finance of Innovation. 3 Units.
In this course we will study the theory and empirics of venture capital (VC) and, more broadly, finance of innovation. We will start by reviewing the way the VC and related markets function and then delve into such topics as VC contracting, valuation, and impact on innovation. We will review most important research studies published in the field over the past 20+ years and pay particular attention to recent research.

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. 3 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, Banking and Household Finance. 4 Units.
This course discusses empirical aspects of major topics in corporate finance, household and consumer finance, housing, banking, financial regulation as well as political economy. The course is designed for students doing their PhD in finance, economics and accounting. The class is very interactive.
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. 3 Units.
This PhD course will cover research topics at the boundary between macroeconomics and finance. Topics will include the study of macroeconomic models with financial frictions, the term structure of interest rates, conventional and unconventional monetary policy, sovereign debt crises, search frictions and segmentation in housing markets, (over)leveraging by households, heterogeneous expectations, excess volatility, financial bubbles and crises. Student presentations and course paper requirement. Designed for second year PhD students in economics or finance.

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