DEREE COLLEGE SYLLABUS FOR: FN 4580 TOPICS IN FINANCE (previously FN 4880)	**3/0/3**
(Spring 2016)	**UK LEVEL 6** **UK CREDITS: 15**
PREREQUISITES:	FN 2028 Financial Mathematics FN 3237 Applied Financial Econometrics FN 3032 Foundations of Investments FN 3113 Corporate Finance MA 2021 Applied Statistics
CATALOG DESCRIPTION:	Capstone course that synthesizes knowledge on financial theories and practices. Emphasis on contemporary topics in finance.
RATIONALE:	The course covers topics such as equity and project valuation models, asset pricing models, fixed-income securities and portfolio management cases. Course content will be revised according to the current state of research in finance. Students must demonstrate financial knowledge and skills acquired throughout the course.
LEARNING OUTCOMES:	Upon successful completion of the module, the student should be able to: 1. Review and apply theoretical and empirical advancements in corporate finance, investment analysis and risk management. 2. Demonstrate strong quantitative (financial modelling) skills in collecting, analysing and interpreting financial data. 3. Stimulate critical thinking on contemporary financial issues. 4. Demonstrate strong presentation skills of research driven findings.
METHOD OF TEACHING AND LEARNING:	In congruence with the teaching and learning strategy of the college, the following set of tools are used: ➢ Class lectures in seminar style, including class discussions. ➢ Use of case studies and spreadsheet (EXCEL) applications ➢ Seminars/speeches by visiting scholars and professionals ➢ Group discussion; students are divided into groups to work on case projects and short research activities that involve the use of web search or the use of financial databases ➢ Office hours; students are encouraged to make full use of instructor's office hours in order to ask questions, review their project progress, and/or go over lecture material. ➢ Use of Blackboard ➢ Use of E-VIEWS or STATA
ASSESSMENT:	**Summative:** One Assessment: Individual research project; written project (4,500-5,000 words) 80% Presentation (literature review, analysis and research findings) 20% — **100%** **Formative:** Case studies, short reports, analysis of articles, in-class presentations — 0 The research project tests Learning Outcomes 1, 2, 3, and 4
INDICATIVE READING:	The course is organized around published and working papers in the field of finance with an emphasis on empirical evidence and practical applications. The textbooks and articles used in the related prerequisite courses provide the basis for the topics covered in the course. **RECOMMENDED TEXTBOOKS**

- Brealey, R. A. Myers, S. C. and Allen, F. (2014). *Corporate Finance*. McGraw-Hill 11th ed.
- Campbell, J. Y. Lo, A. W. and MacKinlay, C. A. (1996). *The Econometrics of Financial Markets*. Princeton U Press.
- Elton, E. J. Gruber, M. J. Brown, S. J. Goetzmann, W. N. (2014). *Modern Portfolio Theory and Investment Analysis*. John Wiley & Sons.
- Fabozzi F. *Bond Markets, Analysis and Strategies*. (2003). Prentice Hall, 2nd edition
- Fabozzi, F. J. Neave, E. H. and Zhou, G. (2011). *Financial Economics*. John Wiley & Sons.
- Hull, J. C. (2014). *Fundamentals of Futures and Options Markets*. 8/E, , Prentice Hall
- Laopodis, N. (2012). *Understanding Investments*. Routledge.

RECOMMENDED READING (List to be updated when course starts):

- Barberis, N., and Thaler, R. (2003). A Survey of Behavioral Finance, in the Handbook of Economics of Finance, Edited by G. Constantinides, M. Harris and R. Stulz.
- Fama, Eugene F. (1998). Market Efficiency, Long-term Returns, and Behavioral Finance. *Journal of Financial Economics*, 49, 283-306.
- Fama, E., and K. French (1998). Taxes, financing decisions and firm value. *Journal of Finance*, 819-843.
- Fama, E. F., and K. French (1992). The Cross-Section of Expected Stock Returns. *Journal of Finance*, 47(2), 427-465.
- Fama, Eugene F. and Kenneth French (2004). The Capital Asset Pricing Model: Theory and Evidence. *Journal of Economic Perspectives*, 18(3), 25-46.
- Graham, J. and C. Harvey (2001). The theory and practice of corporate finance: evidence from the field. *Journal of Financial Economics*, 187-243.
- Malkiel, Burton (2003). The Efficient Market Hypothesis and Its Critics. *Journal of Economic Perspectives* 17(1), 59-82.
- Malkiel, Burton (2005). Reflections on the Efficient Market Hypothesis: 30 Years Later. *The Financial Review* 40, 1-9.
- Miller, M. (1989). The Modigliani-Miller propositions after thirty years. *Journal of Applied Corporate Finance*, 6-18.
- Modigliani, F. And M. Miller (1958). The cost of capital, corporation finance, and the theory of investment. *American Economic Review*, 261-297.
- Modigliani, F. And M. Miller (1963). Corporate income taxes and the cost of capital: A correction. *American Economic Review*, 433-443.
- Perold, Andre (2004). The Capital Asset Pricing Model. *Journal of Economic Perspectives*, 18(3), 3-24.
- Shiller, Robert (2003). From Efficient Markets Theory to Behavioral Finance. *Journal of Economic Perspectives*, 17(1), 83-104.
- Statman, Meir (2008). What is Behavioral Finance? In the Handbook of Finance, vol. II, chapter 9, edited by Frank J. Fabozzi, John Wiley & Sons, 79-84.

INDICATIVE MATERIAL: *(e.g. audiovisual, digital material, etc.)*	N/A
COMMUNICATION REQUIREMENTS:	Research proposal and a semester-long study of a topic chosen by the student. Participation in class discussions should be delivered in a professional manner using proper communication skills and techniques.
SOFTWARE REQUIREMENTS:	Internet, Blackboard, Financial Databases, Econometrics software (E-views or Stata)
WWW RESOURCES:	www.bloomberg.com www.damodaran.com www.morningstar.com

	http://finance.yahoo.com/ www.theeconomist.com www.financialtimes.com http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html
INDICATIVE CONTENT:	• Corporate and real asset valuation [cost of capital, capital budgeting, corporate valuation] • Asset pricing models [CAPM, APT, factor models] and empirical evidence • Predictability of returns, efficient market hypothesis and its implications to portfolio management: A behavioral interpretation • Applications of derivatives to investments and financial management • Fixed income securities and securitization • Alternative investments • Market microstructure