

Finance

Chair

Erik Lie

Director, Undergraduate Program

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Executive Director, Vaughan Institute

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Undergraduate majors: finance (BBA); risk management and insurance (BBA)

Undergraduate certificate: risk management and insurance

Graduate degrees: MS in finance; finance subprogram for the PhD in business administration

Faculty: <https://tippie.uiowa.edu/people?departments=170>

Website: <https://tippie.uiowa.edu/about/finance-department>

The Department of Finance is committed to delivering programs of study that integrate the technology and analytics of today's global financial community. The goal is to provide students with the technical skills they need to enhance their managerial effectiveness, whether they work in large corporations, small organizations, or private consulting.

The department offers undergraduate majors in finance and risk management and insurance, the Master of Science program in finance, and the subprogram in finance that leads to the PhD in business administration. Additionally, they participate in the MBA program; see the Master of Business Administration Program in the catalog. The department also partners with the Emmett J. Vaughan Institute of Risk Management and Insurance to offer the undergraduate Certificate in Risk Management and Insurance.

Programs

Undergraduate Programs of Study

Majors

- Major in Finance (Bachelor of Business Administration)
- Major in Risk Management and Insurance (Bachelor of Business Administration)

Certificate

- Certificate in Risk Management and Insurance

Graduate Programs of Study

- Master of Science in Finance
- Finance subprogram for the Doctor of Philosophy in Business Administration

Resources

The Emmett J. Vaughan Institute of Risk Management and Insurance collaborates with the Department of Finance to offer an undergraduate major in risk management and insurance and an undergraduate Certificate in Risk Management and Insurance. In addition to coursework,

the Vaughan Institute provides professional development opportunities—networking events with industry speakers, scholarships, a mentorship program with alumni, and a job fair. The Vaughan Institute was named a Global Center of Insurance Excellence, one of only 33 in the world.

The Vaughan Institute provides numerous opportunities for students. It offers:

- an active student organization—Gamma Iota Sigma;
- over \$40,000 in scholarships awarded to Vaughan students each academic year;
- networking events with industry professionals;
- a series of speaker events with recent graduates to assist in résumé preparation, and refinement of interview skills;
- an industry mentor program;
- a student résumé book sent to over 250 employers;
- professional development opportunities, such as the Vaughan Institute Golf Outing in August;
- trips to professional conferences in locations such as Chicago, Dallas, and San Antonio;
- a student newsletter with job and internship announcements; and
- a risk management and insurance career fair.

Courses

Finance Courses

FIN:1300 First-Year Seminar 1 s.h.

Small discussion class taught by a faculty member; topics chosen by instructor; may include outside activities (e.g., films, lectures, performances, readings, visits to research facilities).

FIN:1500 Introduction to Investment Banking 1 s.h.

Overview of investment banking industry; nontechnical; inclusive environment to determine student interest in applying to the Hawkinson Institute—the Tippie College of Business undergraduate investment banking program; no prior knowledge of accounting and finance required. Requirements: UI cumulative GPA of at least 3.40.

FIN:3000 Introductory Financial Management 3 s.h.

Financial management goals and decision-making; time value of money; valuation of bonds and stocks, risk and return analysis, cost of capital, capital budgeting, cash flow estimation; financial statement analysis and financial planning. Prerequisites: ECON:1200 and ACCT:2100 and ECON:1100. Requirements: 60 s.h. completed.

FIN:3020 Professional Finance Seminar 1 s.h.

Seminar topics include finance careers, curriculum, understanding of current events, internships, professional designations, ethics, and general finance acumen.

FIN:3021 Professional Risk Management and Insurance Seminar 1 s.h.

Topics include risk management and insurance (RMI) careers, curriculum, understanding of current events, internships, professional designations, ethics, and general risk management acumen.

FIN:3100 Financial Information Technology 2 s.h.

Applications of commonly used financial software and data systems reviewed by student teams. Corequisites: FIN:3000.

- FIN:3200 Investment Management** 3 s.h.
Investment in marketable securities in domestic and international markets; financial markets, securities trading, evaluation of risk/return trade-off, formulation and implementation of investment strategies, efficient portfolio formation. Prerequisites: FIN:3000.
- FIN:3300 Corporate Finance** 3 s.h.
Advanced managerial decision-making; corporate financial policy, dividend policy, agency theory, corporate restructuring, capital structure strategies, mergers and acquisitions, option pricing fundamentals, convertible debt, callable debt, warrants. Prerequisites: FIN:3000.
- FIN:3400 Principles of Risk Management and Insurance** 3 s.h.
Introduction to risk and insurance; risk identification and evaluation, demand for insurance, effects of limited liability, theory of moral hazard and adverse selection; business and personal risk; insurance as a risk management tool.
- FIN:3500 Hawkinson Scholar Seminar** 2 s.h.
Advanced skill and understanding required for pursuit of investment banking, management consulting careers; specialized résumé and interview training, industry presentations, relevant case assignments.
- FIN:3510 Hawkinson Scholar Seminar: Topics in Finance** 0 s.h.
Subsectors in the financial services industry, including hedge funds, investment banking, commercial banking; valuation techniques used in real-world mergers, acquisitions, equity offerings, debt financing, and so forth.
- FIN:3900 Advanced Entrepreneurial Finance** 3 s.h.
Introduction to a variety of finance topics related to startup or entrepreneurial ventures including valuation models, deal structuring and contracts, and different forms of exit; valuation models from perspective of common investors in early stage funding space (i.e., venture capital firms, private equity firms, banks, Small Business Administration); value creation and how to accomplish and measure it; how much money to raise and from which capital providers.
- FIN:4015 Topics in Risk Management and Insurance** 3 s.h.
Explores cutting-edge concepts and emerging risk management and insurance trends. Students engage with case studies, current industry challenges, and possible innovative solutions. The curriculum adapts each semester to reflect the latest risk management or insurance developments. Prerequisites: FIN:3000.
- FIN:4020 Topics in Finance** 3 s.h.
Contemporary issues in finance. Prerequisites: FIN:3000.
- FIN:4030 Securities Industry Essentials Exam Prep** 1 s.h.
Preparatory program for passage of the Securities Industry Essentials (SIE) exam and includes a voucher to take the exam upon completion; much of the material is provided online with additional meetings and review sessions; the SIE exam is for any professional who needs a Series 6, Series 7, or any other exam required by the Financial Industry Regulatory Authority (FINRA). Prerequisites: FIN:3000 or MBA:8180.
- FIN:4035 ARGUS Financial Analysis** 1 s.h.
Impact of assumptions on cash flows and valuations of income-producing properties using ARGUS financial analysis; use of information obtained through application and analysis of real estate finance and investment due diligence to articulate, communicate, and apply the expertise gained through experiential learning to evaluate real-world real estate situations; access to ARGUS Enterprise software using licenses contributed by ARGUS Software, Inc.
- FIN:4040 Bloomberg Market Concepts (BMC) and Environmental Social Governance (ESG) Certificates** 1 s.h.
Bloomberg Market Concepts (BMC) and Environmental Social Governance (ESG) certificates offered by Bloomberg for Education are powerful résumé builders and signal to prospective employers that students are adept at using the Bloomberg platform; the BMC certificate is a library of e-learning courses that provides an introduction to financial markets; the ESG certificate covers core modules—environmental, social, and governance—and shows how investors are measuring and making decisions around ESG investing.
- FIN:4045 Wall Street Prep: Financial and Valuation Modeling Seminar** 1 s.h.
Provide students with advanced financial analysis and modeling skills used by financial analysts in investment banking, private equity, equity research, and related fields. Enhance student competitiveness for internships and full-time employment in those fields. Developed by Wall Street Prep, a training organization employed by top banks and financial institutions globally to develop modeling skills for newly-hired financial analysts. Prerequisites: ACCT:2100. Corequisites: FIN:3000.
- FIN:4050 Directed Readings in Finance** arr.
Individually guided readings in selected topics.
- FIN:4055 Wall Street Prep: Mergers and Acquisitions and Leveraged Buyout Modeling Seminar** 1 s.h.
Provide students with advanced financial analysis and modeling skills used in mergers and acquisitions (M&A), leveraged buyouts (LBOs), investment banking, private equity, equity research, corporate development, and related fields. Enhance student competitiveness for internships and full-time employment in those fields. Students will build a three-statement model and a discounted cash flow model. Developed by Wall Street Prep, a training organization employed by top banks and financial institutions globally to develop modeling skills for newly hired financial analysts. Prerequisites: FIN:3000.
- FIN:4210 Futures and Options** 3 s.h.
Use of options, futures, and other derivative securities in financial management; understanding types of derivative securities, markets, trading technology; applications of risk management and speculation; pricing relations with underlying securities. Prerequisites: FIN:3200.
- FIN:4220 Fixed Income Securities** 3 s.h.
Theories of fixed income securities, term structure of interest rates; asset pricing models, valuation of fixed income securities and contingent claims, fixed income portfolio management, immunization strategies, yield curve analysis. Prerequisites: FIN:3000. Corequisites: FIN:3200.

- FIN:4230 Real Estate Process** 3 s.h.
 Fundamentals of real estate finance and investments; economic base analysis, asset analysis, market analysis, mortgage markets, underwriting, alternative mortgages, mortgage-backed securities, real estate securitization, land development, valuation principles, investment analysis, tax consideration, portfolio management. Prerequisites: FIN:3000.
- FIN:4235 Real Estate Capital Markets** 3 s.h.
 Key concepts and analytical methods essential for critical real estate financing decisions. Topics covered include operation of global real estate capital markets, alternative mortgage structures, residential and commercial mortgage underwriting, mortgage mathematics, critical role of debt financing and leverage in real estate investment analysis, alternative types of financing, sources of equity partnership financing for real estate, refinancing decisions as source of value, mortgage-backed securities, and real estate private equity fund. Prerequisites: FIN:3000.
- FIN:4240 International Finance** 3 s.h.
 International monetary systems, exchange rate determination, use of currency derivative in hedging and risk management, currency swaps, foreign direct investment, international corporate finance, international capital budgeting, international portfolio investment, Third World debt, privatization, joint ventures. Prerequisites: FIN:3000 and FIN:3200.
- FIN:4250 Applied Equity Valuation** 3 s.h.
 Equity valuation and portfolio management techniques by investment professionals; economic forecasting, industry analysis, financial statement analysis, spreadsheet modeling, cost of capital estimation, equity valuation and portfolio construction; students manage the University of Iowa's Krause Fund (an endowed equity portfolio that blends academic rigor with real-world portfolio management experience). Prerequisites: FIN:3000. Requirements: UI cumulative GPA of at least 2.80.
- FIN:4310 Advanced Corporate Finance** 3 s.h.
 Understanding and evaluating major corporate actions (e.g., mergers and acquisitions, initial public offerings, spin offs, debt and equity issuance); introduction to venture capital and leveraged buyouts; includes a substantial experiential learning component to nudge students away from textbook-based learning towards acquiring practical skills needed to succeed in the corporate finance industry; students collect and evaluate financial information and are challenged to think beyond lecture material presented in the classroom. Prerequisites: FIN:3300. Corequisites: ACCT:3020 or ACCT:3200.
- FIN:4320 Commercial Banking** 3 s.h.
 Management of commercial banks and financial service firms; asset and liability management, credit policy, capital risk, liquidity planning, use of swaps and derivatives to hedge interest rate risk, global banking, investment strategies. Prerequisites: FIN:3000.
- FIN:4330 Investment Banking** 3 s.h.
 How investment banks fill critical roles in maintaining well-functioning financial markets and provide access to capital and strategic advice to companies and governments; recent global financial crisis; how banker's role as intermediary between companies and markets adds value and creates conflicts and risk. Prerequisites: FIN:3300 and FIN:3000.
- FIN:4340 Wealth Management** 3 s.h.
 Financial services for client wealth management; how to make personal investment decisions and build diversified, comprehensive investment portfolios; investment theory; common behavioral biases that lead to investment pitfalls, mistakes; wealth management objectives, portfolio risk and reward, asset allocation, portfolio diversification, tax shield structures, retirement plans, wealth protection, risk management, behavioral finance, psychology of investing. Prerequisites: FIN:3000.
- FIN:4350 Applied Wealth Management** 3 s.h.
 How wealth management relates to managing the financial well-being of individuals; process of determining goals and objectives for someone and assessing their risk tolerances; development of a strong financial plan involving a variety of steps and process including insurance needs, savings requirements, estate planning, budgeting, asset allocation, and portfolio development; experiential component where students make recommendations for real clients or a pool of funds. Prerequisites: FIN:3000.
- FIN:4410 Enterprise Risk Management** 3 s.h.
 Analysis and treatment of pure and financial risks faced by business organizations; development and implementation of the risk management process, application of varied risk management techniques to identified exposures; how businesses manage risk and how insurance is used to manage the cost of risk; case studies. Prerequisites: FIN:3400.
- FIN:4420 Property and Liability Insurance** 3 s.h.
 Fundamentals of commercial property and liability insurance; commercial property and liability contracts, functions of property and liability insurers; regulation and financial analysis of property and liability insurers; marketing, underwriting, rate making, claim settlements. Prerequisites: FIN:3400.
- FIN:4430 Life and Health Insurance** 3 s.h.
 Types of life insurance and annuity contracts and their uses; regulation of life and health insurers; development of financial plans using life insurance products; Social Security, group, and individual health insurance products, including major medical, disability income, long-term care policies; marketplace analysis; contractual provisions, determination of human life values, mathematics of life contingencies and pricing. Prerequisites: FIN:3400.
- FIN:4440 Employee Benefit Plans** 3 s.h.
 Management of employee benefit plans (e.g., group life and health insurance, retirement programs); design, administration, and financing of employee benefits; federal administration of employee benefit plans; funding requirements, financial alternatives; funding and vesting of retirement annuities; design and management of health care plans, including "cafeteria" approach and nonqualified deferred compensation arrangements; economic effects and financing employee benefits and retirement plans in private and public sectors. Prerequisites: FIN:3400.
- FIN:4450 Risk Modeling** 3 s.h.
 Theory used to solve real-life problems taken from a diverse set of risk management applications; varied areas where risk analysis has become important (i.e., finance, insurance, corporate risk management, personal financial planning); principles of probability theory, mathematical finance, and actuarial science developed for use in quantitative analysis of important risk management problems; spreadsheet-based course. Prerequisites: FIN:3000.

- FIN:4460 Insurer Operations and Captive Management** **3 s.h.**
Fundamentals of insurer and captive operations; regulation, accounting, finance, marketing, underwriting, reinsurance, ratemaking, and claims management; students set up and manage a captive insurance company covering risk exposures of the university. Prerequisites: FIN:3400.
- FIN:4470 Insurtech Innovation** **3 s.h.**
Explore proven methodologies and resources for Insurtech (insurance and technology) innovation and examine real-world lessons learned by some of the greatest Insurtech innovations (and a few epic failures). Prerequisites: FIN:3400.
- FIN:4999 Honors Thesis in Finance** **arr.**
Independent student project directed by faculty or staff advisor; culminates in thesis that conforms to University of Iowa Honors Program guidelines; may include empirical research, library research, applied projects. Prerequisites: BUS:1999.
- FIN:7110 Finance Theory I** **3 s.h.**
Consumption-based models of asset pricing; arbitrage, contingent claims; market efficiency and information economics, behavioral models; emphasis on theory. Requirements: PhD enrollment.
- FIN:7120 Seminar in Corporate Finance** **3 s.h.**
Valuation (DCF and CAPM); valuation under certainty, uncertainty; financial structure, cost of capital; dividend policy; firm investment in perfect, imperfect capital markets. Requirements: PhD enrollment.
- FIN:7130 Finance Theory II** **3 s.h.**
Continuous time theories of financial markets, including connection between an arbitrage-free pricing system and martingales; pricing of contingent claims, general equilibrium and term structure theory. Requirements: PhD enrollment.
- FIN:7140 Advanced Empirical Finance** **3 s.h.**
Market efficiency and term structure theory tests; tests of asset pricing models, dividend policy and financial structure issues. Requirements: PhD enrollment.
- FIN:7850 Seminar in Finance** **1 s.h.**
Requirements: PhD enrollment.
- FIN:7950 Directed Reading in Finance - PhD** **arr.**
Requirements: PhD enrollment.
- FIN:7975 Thesis in Finance** **arr.**
- FIN:8130 Business Communication** **1-3 s.h.**
Effective communication to become a successful business professional and leader; strengthen ability to speak and write confidently, competently, and effectively regardless of venue; varied team and individual presentation coaching, applied exercises. Requirements: admission to MS in finance program.
- FIN:9000 Directed Readings in Finance - MBA** **arr.**
- FIN:9001 Directed Readings in Finance - Master of Science in Finance** **arr.**
Coursework and topics negotiated between student and instructor on a case-by-case basis. Prerequisites: MBA:8180.
- FIN:9010 Contemporary Topics in Finance** **arr.**
- FIN:9130 Corporate Risk Management and Insurance** **3 s.h.**
Introduction to corporate risk management and the risk management process; how insurance can be used as a risk management tool; standard commercial property and liability insurance contracts and their applications; fundamentals of insurance company operations and their distribution channels, rate making, underwriting, and claim settlements.
- FIN:9140 Enterprise Risk Management** **2-3 s.h.**
Analysis and treatment of risks faced by businesses; how risk management creates value in corporations, includes development and implementation of the risk management process, and explores the application of various risk management techniques to identified exposures; use of case studies to study how businesses manage risk, and how insurance and other risk management tools help reduce the cost of risk. Prerequisites: MBA:8180.
- FIN:9150 Financial Modeling and Firm Valuation** **2-3 s.h.**
How to model firm value from a discounted cash flow perspective; identify a company's key value drivers, create spreadsheet valuation models; projected financial valuation integrates projected pro forma accounting statements; forecasting, free cash flow estimation, industry competitive analysis. Prerequisites: MBA:8180.
- FIN:9160 Quantitative Finance and Machine Learning** **0,3 s.h.**
Quantitative techniques in derivative, equity, and interest rate valuation using regression and machine learning techniques; overview of portfolio construction methods; underlying financial theory and Python programming.
- FIN:9200 Portfolio Management** **2-3 s.h.**
Introduction to fundamental elements of modern portfolio theory, application to investment analysis; investment environment, instruments, types of investors; concepts of risk and return, broad perspective on historical risk and return of various asset classes; asset allocation decision, risk and return dynamics of a multiple securities portfolio; varied asset pricing models, how capital markets work for investors and users of capital. Prerequisites: MBA:8180.
- FIN:9210 Derivatives** **2-3 s.h.**
Examination of the wide range of derivative securities that cover the financial landscape; the market place, trading, and investors; different derivative securities in existence, their relationship with the underlying securities, and pricing; applications of derivative securities to risk management and speculation; application of principles to fixed income, international finance, real estate, and securitization. Prerequisites: MBA:8180 and FIN:9200.
- FIN:9220 Fixed Income Securities** **2-3 s.h.**
Conceptual framework and tools to undertake the valuation of fixed income securities and the management of fixed income portfolios; varied fixed income instruments and the markets in which they trade; introduction to basic building blocks of fixed income analysis, including concepts of duration, convexity, and term structure of interest rates; application of concepts in bond portfolio immunization strategies; use of interest rate derivatives in portfolio hedging applications. Prerequisites: MBA:8180.
- FIN:9225 Applied Fixed Income Analysis - Hart Fund** **3 s.h.**
Management of fixed income fund portfolio; legal environment in which the fund operates; students analyze and recommend fixed income investments, implement controls to monitor fund's performance; decisions and investment recommendations are made by students; each student is assigned a specific fixed income asset class (i.e., high-yield debt) to monitor, analyze, and predict future investment returns; employment of historical and predictive analytics to estimate short term and long term returns for asset classes; and collectively determine the mean variance portfolio. Prerequisites: MBA:8180 and FIN:9220.

FIN:9230 Real Estate Finance and Investments 2-3 s.h.

In-depth understanding of concepts and techniques of real estate financial analysis, equity investment decision-making; real estate investing from analysis of developments through the securitization of mortgages; mortgage markets and pricing, real estate finance and investments, mortgage-backed securities, development process, real estate valuation, tax effects, securitized real estate, real estate cycles, application of derivative instruments, strategic asset allocation. Prerequisites: MBA:8180.

FIN:9240 International Finance 2-3 s.h.

Introduction to structure and functioning of global financial markets; currency market, international equity markets; use of derivatives in currency risk management for corporate and investment needs; corporate investment decisions in an international context. Prerequisites: MBA:8180.

FIN:9250 Applied Securities Analysis - Henry Fund I 3 s.h.

Manage Henry Fund portfolio, learn legal environment in which the fund operates, analyze potential investments, implement controls to monitor the fund's performance; decisions and investment recommendations made by students; each student analyzes an economic sector and geographic region (i.e., utilities analyst and specialist in South East Asia); while the fund cannot currently invest directly in foreign listed stocks, it holds U.S. listed stocks with significant overseas interests and students are able to invest in a number of ADRs. Prerequisites: MBA:8180.

FIN:9260 Applied Securities Analysis - Henry Fund II 3 s.h.

Continuation of FIN:9250. Prerequisites: FIN:9250 and MBA:8180.

FIN:9270 Security Analysis 3 s.h.

Valuation of financial securities (primarily equities) using discounted cash flow model; industry, regulatory analysis; financial statement analysis; active portfolio management; value-based management techniques; valuation of firms outside the United States. Prerequisites: MBA:8180.

FIN:9290 Alternative Investments and Portfolio Strategies 2-3 s.h.

Alternative investments including hedge funds, private equity funds, and venture capital vehicles; purpose of alternative investment, including the risk/return profile of alternatives and correlations with traditional asset classes; specific hedge fund styles, strategies, risk profiles; portfolio strategy topics including diversification benefits, management of downside risk, international diversification, behavioral finance, performance measures, and performance attribution analysis. Prerequisites: MBA:8180.

FIN:9300 Corporate Finance 2-3 s.h.

Underpinnings and optimization of corporations' investment and financing decisions; firm-wide and project-specific cost of capital, optimal capital structure decisions; in-depth capital budgeting methods, including real options techniques; corporate investment module of the class includes simulation analysis using Crystal Ball; cost of capital, valuation techniques, advanced capital budgeting, capital structure and dividend policy, option pricing models applied to corporate finance. Prerequisites: MBA:8180.

FIN:9310 Corporate Financial Strategy 2-3 s.h.

Major strategic decisions within the corporate form; risk management, including why firms engage in it, their methods for doing so, and exercises in the simulation of uncertainty; dividends and repurchases under the payout policy decision; corporate governance topics, including executive compensation, board structure, and institutional monitoring; merger and acquisitions analysis, including regulation, valuation, anti-takeover devices, payment method, and LBOs; divestitures and other restructuring topics, including corporate diversification, spin-offs, carve-outs, private workouts, and Chapter 11. Prerequisites: MBA:8180.

FIN:9330 Investment Banking 3 s.h.

How investment banks fill critical roles in maintaining well-functioning financial markets and provide access to capital and strategic advice to companies and governments; recent global financial crisis; how banker's role as intermediary between companies and markets adds value and creates conflicts and risk. Prerequisites: MBA:8180.

FIN:9350 Wealth Management 2-3 s.h.

Rapid growth of the field of wealth management over several decades, driven by general increase in personal wealth and increased responsibility for individuals to manage their own wealth; knowledge and tools to enter the financial services industry; financial planning industry, client characteristics, tax shield structures, insurance, asset allocation plans, estate planning, behavioral finance. Prerequisites: MBA:8180.

FIN:9390 Applied Financial Analysis: Industry Project 3 s.h.

Hands-on practical experience in corporate finance or investments; work in teams on a corporate finance project or an investment project for a corporate or institutional client; partner companies identify financial issues, challenges, and opportunities for students to help solve; students work with the companies and a faculty member to provide an analysis of the situation and proposals of actions to be taken. Prerequisites: MBA:8180.

FIN:9391 Thesis in Finance - Master of Science in Finance arr.

Students conduct original research in finance, supervised by a Department of Finance faculty member. Prerequisites: MBA:8180.

FIN:9400 Professional Development and Business Acumen 0-3 s.h.

Preparation for postgraduate careers and exposure to relevant information that does not fit cleanly into academic work; how to grow a professional network and build depth of knowledge and breadth of business acumen; focus on helping students investigate various finance roles, land the all-important summer and postgraduate employment, and demonstrate professionalism in business; informational input on current trends/topics from outside business professionals, along with shared student experiences, are important cornerstones and require student preparation and participation. Requirements: admission to MS in finance.