THE UNIVERSITY OF TEXAS AT AUSTIN
McCOMBS SCHOOL OF BUSINESS

Finance
Graduate Course Descriptions

Note – The following is a comprehensive list of courses offered by the Department of Finance. The semester in which a specific course is *most likely* to be offered is noted.

FIN 286 - Valuation (flexible core) - Offered Fall and Spring

Description: This course builds on the concepts and tools developed in BA285T by introducing students to valuation of enterprises and the various claims against enterprise cash flows. Topics covered include cost, market, and income approaches to valuation and their application to enterprise, debt, equity, and option valuation. The course combines lectures with cases to provide the students with a solid understanding of key financial theories as they relate to valuation and their application.

FIN 390.1 - Financial Markets and Institutions - Offered Fall and Spring

Description: The course presents a top-down overview of macroeconomic influences on financial market pricing of debt, equity, and foreign exchange. The course develops frameworks to understand the expectations the market is pricing such as from the rate of economic growth/recession, inflation/deflation, country risk and government price intervention in financial markets. These top-down considerations are inputs to asset allocation decisions. The class will examine how the global market developed and how it has affected financial pricing. Other topics include how debt and equity securities are created and traded; primary and secondary market operations; investment banking and the functions of brokers, dealers and intermediaries. The course makes use of current media and historical events to discuss the above topics based on financial and economic theory.
Prerequisites: BA 285T, FIN 286, and credit or registration for FIN 397.1

FIN 394.1 - Advanced Corporate Finance - Offered Fall and Spring

Description: This course continues and extends the discussion of the basic corporate financial management decision-making process begun in BA 285T and continued in FIN 286. Topics covered in the course will include: an overview of financial management in the global marketplace; comparisons of financial and real investments; valuing real assets and real options; the role of financial leverage; optimal capital structure; bondholder-stockholder conflicts; stockholder-owner conflicts; evaluating financial distress; optimal debt management; managerial incentives and compensation arrangements; value-based management and information management; corporate control and restructuring: mergers, acquisitions, takeovers, spinoffs and selloffs; corporate governance issues; and the role of institutional activism. *Prerequisites*: BA 285T, FIN 286

FIN 394.2 - Financial Strategies

NOTE: Because of the different focuses for this course (business investment and financing decisions, energy finance, mergers and acquisitions), credit will be given if the course is taken with different focuses.

General description: This course develops an integrated, in-depth analysis of the interaction between the operating policies of a corporation and its financial decision-making strategies. Topics covered in the course will include: the tools of financial decision-making; corporate cash management; cost of capital evaluation; project analysis and valuation; the financial impact of marketing strategies; public and private company valuation; corporate acquisition policies; financing the required asset base; dividend policy; capital structure: internal versus external financing; assessing and managing investor clienteles; and assessing and managing business risk exposures. *Prerequisites*: BA 285T, FIN 286, credit for FIN 394.1, and credit or registration for FIN 397.1

Focus on Raising Capital and Funding Investments - Offered in Spring

Description: The class will cover strategic as well as tactical aspects of the capital raising process. Topics discussed will include the primary decisions made by Treasurers and CFOs relative to different techniques for raising capital and sources of funds. This will include an examination of corporate bonds, short-term finance (e.g., commercial paper and trade credit) and other forms of debt financing, as well as the public equity markets (e.g., IPOs and SEOs), different classes of public equity finance, and exchange offers. The class will also cover topics related to financial distress and restructuring, such as Chapter 11. In addition, some time will be devoted to the consideration of Private Equity and Venture Capital financing.

Focus on Private Equity - Offered in Fall

Description: This course provides students with an understanding of the nature of the private equity market, the principal participants in this market, and the financial strategies that they employ. Topics covered include: How private equity funds are raised, structured, and financed; contracting in private equity markets; valuation of private equity interests; sources of capital for private companies; strategies for value creation; mergers and acquisitions, and exit strategies. The course is taught through a combination of lectures, cases, and guest speakers.

Focus on Energy Finance - Offered in Fall

Description: This course is primarily focused on the initiation, evaluation, financing and hedging of major corporate investments with a focus on the energy industry. The theory behind these decisions will be featured but practical issues involving application of the concepts will be emphasized, including scenario analysis and simulation. Topics include examining the risks, financing, financial statement effects, flexibility, and strategic considerations of the investment. The course is taught through a combination of lectures, cases, and guest speakers.

FIN 394.3 - Global Finance - Offered in Spring

Description: This course provides students with an in-depth look at the financial management function in a multinational corporation. The following topics will be covered: an overview of global capital and equity markets; an analysis of the balance of payments; the creation of international money and the determination of foreign exchange rates; the mechanics of currency trading; interest rate and purchasing power parity relationships; managing foreign exchange risk; analyzing foreign direct investment; capital budgeting in a global environment; taxes, transfer prices, and intracompany loans; assessing and measuring political risk; and financial issues in emerging markets. *Prerequisites*: BA 285T, FIN 286, credit for FIN 397.1, and credit or registration for FIN 394.1

FIN 394.14 - Venture Capital Fellows Program - Offered Fall and Spring

Course is restricted to Students in the Program

FIN 394.15 - Energy Finance Practicum - Offered in Spring

Description: This course offers students the opportunity to work in groups on applied energy projects furnished by participating firms.
Prerequisites: BA 285T, and credit or registration for FIN 286

FIN 394.17 – Advanced Valuation and Financial Modeling - Offered in Spring

Description: This is a course about financial modeling. The goal is to make financial models that produce useful answers to economic questions. During the term, the course covers areas of finance that lend themselves to financial modeling, such as (but not limited to) loan amortization schedules; takeover valuations, private equity valuation; equity derivatives; mutual fund performance, mutual fund style analysis; fixed income derivatives, and optimal portfolio selection. The structure typically allows for coverage of one topic/model per week. One part of the class/week will be spent introducing material needed for the assignment; the second part of the class/week will be spent presenting and reviewing students' models. This is a "hands-on" course that requires students to analyze data and participate in class discussions. Course work is based on cases studies, academic research, and practitioner research.
Prerequisites: BA 285T, FIN 286, FIN 394.1 and FIN 397.1.

FIN 397.1 - Investment Theory and Practice - Offered Fall and Spring

Description: This course focuses on the examination and valuation of the major investment vehicles popular today throughout the world. Topics covered will include: an overview of the investment decision-making process; asset allocation in the global investment setting; analysis of security types; analysis of security markets and trading practices; aggregate market analysis and market indicators; risk, diversification, and optimal portfolio formation; risk and expected return: CAPM, APT, and factor models; domestic and international fixed-income investing: instruments, valuation, and strategies; domestic and international equity investing: instruments, valuation, and strategies; forward and futures contracts: valuation and strategies; option contracts: valuation and strategies; investment companies; and performance measurement. *Prerequisites*: BA 285T, FIN 286

FIN 397.4 - **Financial Risk Management -** Offered in Fall (Energy Focus) and Spring (General)

Description: This course focuses on how corporations manage their myriad business risk exposures and which of these exposures derivative securities are designed to address. The following topics will be covered: an overview of capital and derivative markets and the participants in those markets; the risk management process; measuring corporate risk exposure: gap analysis, value at risk, and stress testing; comparison of forward, futures, insurance, and option markets; theory of hedging, speculation and arbitrage; commodity, interest rate, stock index, and foreign exchange futures contracts: valuation and strategies; option valuation: binomial, Black-Scholes, exotic; commodity, interest rate, stock index, and foreign exchange option contracts: strategies and applications; and swap contracting. NOTE: This course is taught with a generalist focus or with a focus on energy finance issues. Because both classes have about a 70% overlap in material, they cannot both be taken.
Prerequisites: BA 285T, FIN 286, credit for FIN 397.1, and credit or registration for FIN 394.1.

FIN 397.5 - Fixed Income Analysis - Offered in Spring

Description: This course provides a comprehensive analysis and valuation of fixed-income securities from the perspective of a financial, security, or credit analyst. Topics covered in the course will include: an overview of Treasury, agency, and corporate fixed-income securities; trading conventions and practices in fixed-income markets, general approaches to valuing debt securities; theories and models of the term structure of interest rates; par, spot, and forward yields; an analysis and valuation of credit risk; fixed- and variable-income debt securities; asset-backed securities and structured notes; fixed-income derivatives: valuation and applications; and fixed-income portfolio management strategies. *Prerequisites*: BA 385T, FIN 286, FIN 394.1, FIN 397.1

FIN 397.6 - Special Topics in Investments

NOTE: Because of the different focuses for this course, credit will be given if the course is taken with different focuses.

Focus on MBA Investment Fund - Offered in Fall

Course is restricted to MBA Fund Students

Focus on REIT Fund - Offered Fall and Spring

Course is restricted to MBA REIT Fund Students

Focus on Long-Term Issues in Investment – to be offered in Spring 2014

Description: This course examines long-term issues that will affect the US markets. In particular, there will be emphasis on understanding the numbers and issues surrounding Social Security, Medicare and the U.S. debt. In addition, there will be coverage of sovereign debt research, state pension debt, unemployment and lessons from the financial crisis. We will examine government reports, academic papers and Fed research to study these topics. This course will be a combination of lecture, class discussion and homework assignments. The majority of the grade will be determined by a midterm exam and a final exam. *Prerequisites*: BA 285T, FIN 286, credit for FIN 397.1, and credit or registration for FIN 394.1

RE 386.2 - Real Estate Investment Decisions - Offered in Spring

Description: In-depth coverage of approaches used to analyze real estate investments, including debt and equity. This course examines the commercial real estate acquisition and development processes from the perspective of direct equity investors. Topics include the fundamentals of the development and investment process, including land valuation, real estate market analysis, and project assessment of site, environmental, legal, zoning and design issues. Students then examine the underwriting and valuation process for various industry asset types, including office, multifamily residential, industrial, retail, hospitality and land investments. This course typically utilizes a mix of lecture and team-based case studies. *Prerequisite*: BA 285T

RE 389 - Real Estate Practicum - Offered in Fall

Description: This course offers students the opportunity to work in groups on applied real estate projects furnished by participating firms. Projects may include research topics, deal analysis, and opportunity assessments.
Prerequisites: BA 285T, and either RE 386.1, RE 386.7, RE 388, or FIN397.6 (REIT Fund)

RE 388 - Seminar in Real Estate Finance - Offered in Spring

Description: This course's primary objective is to examine real estate securities and real estate private equity investing. Students will learn about the various debt and equity securities available to investors, and will also learn about real estate private equity investing. Through lectures, problems sets, cases, students will learn the benefits and risk of the various forms of investing in real estate securities and real estate private equity funds. *Prerequisite*: BA 285T