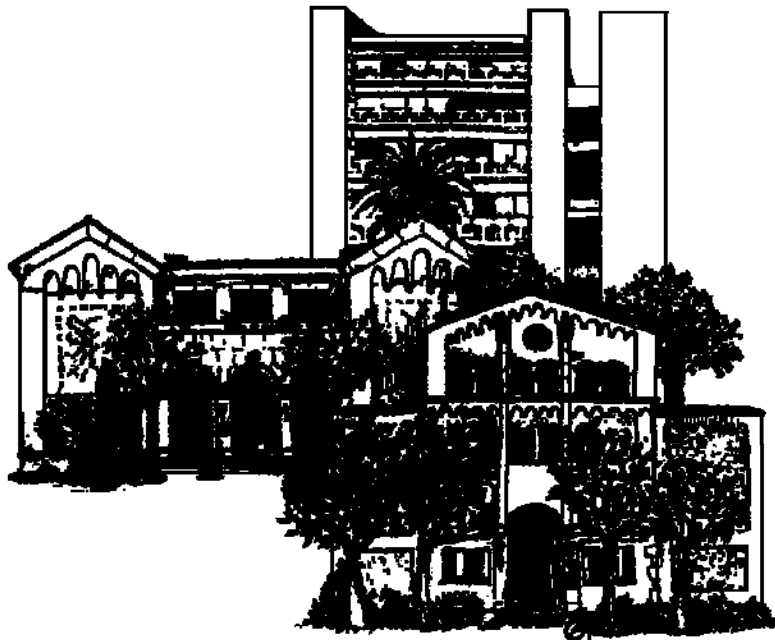


# **FINANCE AND BUSINESS ECONOMICS**

## **Elective Course Guide for Marshall Graduate Students**

**2016-17**



September 2016

## **FINANCE AND BUSINESS ECONOMICS DEPARTMENT GRADUATE ELECTIVES 2016-17**

Marshall graduate students are given flexibility in their schedules to choose electives permitting them to focus on certain areas of study.

Students focusing in Finance and Business Economics will develop the skills necessary to work at a high level of expertise in various areas of finance, including commercial and investment banking, corporate finance management, asset and wealth management, management consulting, mergers and acquisitions, venture capital and real estate.

The field of finance is changing rapidly, and students taking courses in finance will develop the basic tools and skills to be able to learn and adapt to these changes. The emphasis will be on how to think of creative, practical and efficient solutions to the new financial challenges facing our society.

The Marshall School's top-ranked Finance and Business Economics (FBE) Department consists of faculty members who are leading authorities in microeconomics, macroeconomics, corporate finance, investments, financial institutions, financial markets, and real estate finance. These academic disciplines are important for business planning and consulting, evaluation of capital investments and corporate strategies, and securities investment analysis, advising, and trading.

Professors from FBE and course instructors from the financial industry offer a range of elective courses preparing Marshall graduate students for a variety of careers. Possible finance careers are:

1. Investment Banking
2. Private Equity
3. Hedge Funds
4. Corporate (Company) Finance
5. Venture Capital
6. Commercial Banking
7. Real Estate

A description of each of these careers together with the skills that are needed for these careers are shown on pages 4 and 5. Suggested FBE electives for each career choice are on pages 7 and 8.

If you have a strong interest in finance but have not identified a particular career path in the field, consider concentrating on General Financial Management. A description of careers for which this concentration will prepare you for is discussed on page 5.

To properly prepare for any of the seven career choices listed above, or for General Financial Management, you should successfully complete at least four courses from the listing on pages 7 and 8.

The Graduate Certificate in Financial Analysis and Valuation is discussed on page 6.

To obtain this certificate you must complete five courses designated as certificate requirements.

FBE course descriptions are shown on pages 9-12. FBE courses scheduled for 2016-2017 are shown on page 13.

## DESCRIPTION OF POSSIBLE CAREERS IN FINANCE

<b>CAREER</b>	<b>DESCRIPTION</b>	<b>REQUIRED SKILLS</b>
<p><b>Investment Banking</b></p> <ul style="list-style-type: none"> <li>- Mergers and Acquisitions</li> <li>- Corporate Finance</li> <li>- Asset Management</li> <li>- Sales and Trading</li> </ul>	<p>Provides strategic advice to corporate clients to enhance shareholder value through mergers, acquisitions and restructuring</p> <p>Provides financial advice to corporate clients and helps them raise capital</p> <p>Manages money for individual and institutional investing clients</p> <p>Sell and trade securities and other financial assets for investing clients and proprietary trading</p> <p>Provides research to investing clients</p>	<p>Strong analytical, financial modeling, accounting, and teamwork orientation</p> <p>Strong analytical, accounting and communication skills</p> <p>Strong analytical and financial modeling capabilities and an understanding of global array of investment opportunities</p> <p>Ability to make quick, accurate analytical decisions; be able to synthesize a host of risks; be able to build analytical models to facilitate successful trading</p> <p>Strong analytical and financial modeling and writing skills</p>
<p><b>Private Equity</b></p>	<p>Engages in three types of investment activities: LBOs, minority equity investments, and in subordinated debt or preferred stock (mezzanine capital)</p>	<p>Strong analytical, financial modeling, accounting, and teamwork orientation</p>
<p><b>Hedge Funds</b></p>	<p>Purchases minority positions in company stocks, bonds, and other assets; solicits money only from accredited investors; minimal regulation</p>	<p>Strong analytical, financial modeling, accounting, and teamwork orientation</p>

## DESCRIPTION OF POSSIBLE CAREERS IN FINANCE

<b>CAREER</b>	<b>DESCRIPTION</b>	<b>REQUIRED SKILLS</b>
<b>Corporate (Company) Finance</b>	As an integral part of a company's management team, strive to create shareholder value by enhancing operating performance, optimizing the capital structure, improve investor understanding, and evaluate strategic initiatives and investment proposals	Strong analytical, financial modeling, accounting, and teamwork orientation
<b>Venture Capital</b>	Equity investments in non-public companies to fund the launch, early development and/or expansion of a start-up	Strong analytical, financial modeling, accounting, and teamwork orientation
<b>Commercial Banking</b>	Consumer and business banking, business loans, consumer lending, asset management	Strong analytical, accounting and communication skills
<b>Real Estate</b>	Real estate development, valuation and financing of real estate projects, and securitization of real estate assets	Strong analytical and financial modeling

### **Concentration on General Financial Management For Students Who Have Not Identified a Particular Career Path.**

This concentration allows the broadest exposure to finance and the most flexibility in course selection. Possible careers using preparation from this concentration include corporate project analysis and budgeting, business consulting, marketing financial services to corporations, employment in small business or start-up entrepreneurial firms, and general management in financial areas of all business and service industries. The concentration is ideal for students prepared to accept positions in corporations or with consultants to businesses which have a general financial management focus and/or organize work in interdisciplinary teams to solve general business or strategic problems.

### **The Graduate Certificate in Financial Analysis and Valuation.**

Students interested in a more structured approach to studying corporate finance or investments and those who wish to receive formal recognition of their expertise in this area should consider the Graduate Certificate program in Financial Analysis and Valuation.

The Graduate Certificate in Financial Analysis and Valuation program offers students intensive instruction and training to successfully compete in today's competitive global financial markets. The program draws in areas of concentration through courses in financial accounting, financial analysis, valuation, credit analysis, and financial instruments and markets.

Units earned in the process of completing the certificate can be applied to the MBA and some other master's degree programs at USC as long as the certificate is completed before or at the same time as the master's degree. Successful completion of the Graduate Certificate program is documented on the graduate's USC transcript and acknowledged with a certificate (diploma) issued by the University of Southern California.

NOTE: Completion of this program requires a formal application and admission. For more information [click here](#).

ALSO NOTE: The Graduate Certificate in Financial Analysis and Valuation is an academic certificate, NOT a professional licensing or "certification" program. It is NOT the same thing as the Chartered Financial Analyst Review Program. For more information about that program please visit [www.marshall.usc.edu/faculty/fbe/resources](http://www.marshall.usc.edu/faculty/fbe/resources).

### FBE GRADUATE ELECTIVES

	INVESTMENT BANKING				PRIVATE EQUITY	HEDGE FUNDS	CORPORATE (COMPANY) FINANCE
	Mergers and Acquisitions	Corporate Finance	Asset Management	Sales and Trading			
<b>ESSENTIAL COURSES</b>	FBE 529 FBE 560 ACCT 572 ACCT 581	FBE 524 FBE 531 FBE 532 FBE 535 FBE 559	FBE 535 FBE 553ab FBE 555	FBE 535 FBE 540 FBE 553ab FBE 554 FBE 559	FBE 523 FBE 527 FBE 529 FBE 532 FBE 560	FBE 540 FBE 555 FBE 559	FBE 529 FBE 531 FBE 532 FBE 558 FBE 560
<b>OTHER SUGGESTED COURSES</b>	FBE 515 FBE 523 FBE 527 FBE 557 FBE 558	FBE 527 FBE 529 FBE 533 FBE 558	FBE 524 FBE 527 FBE 540 FBE 559 FBE 571, 572 or 573	FBE 524 FBE 525 FBE 543 FBE 555 FBE 556 FBE 589	FBE 553ab FBE 535 FBE 531 FBE 540 FBE 555 FBE 558 FBE 559	FBE 553ab FBE 523 FBE 529 FBE 531 FBE 532 FBE 533 FBE 560	ACCT 572 ACCT 581 FBE 515 FBE 527 FBE 533 FBE 558 FBE 559

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### FBE GRADUATE ELECTIVES

	VENTURE CAPITAL	COMMERCIAL BANKING	REAL ESTATE	GENERAL FINANCIAL MANAGEMENT
<b>ESSENTIAL COURSES</b>	FBE 523 FBE 527 FBE 529 FBE 532 FBE 555 FBE 560	FBE 524 FBE 525 FBE 532 ACCT 572 ACCT 581	FBE 589 FBE 591	FBE 529 FBE 531 FBE 532 FBE 555 FBE 560 ACCT 572
<b>OTHER SUGGESTED COURSES</b>	FBE 531 FBE 533 FBE 540 FBE 553ab	FBE 535 FBE 543 FBE 555 FBE 559 FBE 589	FBE 565 FBE 570 FBE 557 FBE 558 FBE 588	FBE 523 FBE 524 FBE 525 FBE 527 FBE 533 FBE 535 FBE 543 FBE 553A/B FBE 554 FBE 557 FBE 558 FBE 559

<b>FACULTY ADVISOR</b>	<p><b>Venture Capital</b> – Professor Duke Bristow, <a href="mailto:dbristow@marshall.usc.edu">dbristow@marshall.usc.edu</a>, Office: HOH-232</p> <p><b>Commercial Banking</b> – Professor Fatemeh Ibrahim Nazarian, <a href="mailto:ibrahimi@marshall.usc.edu">ibrahimi@marshall.usc.edu</a>, Office: HOH-224</p> <p><b>Real Estate</b> - Professor Robert Bridges, <a href="mailto:rbridges@marshall.usc.edu">rbridges@marshall.usc.edu</a>, Office: HOH-217</p> <p><b>General Financial Management</b> – Professor Lloyd Levitin, <a href="mailto:levitin@marshall.usc.edu">levitin@marshall.usc.edu</a>, Office: HOH-211</p>
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## Finance and Business Economics (FBE)

### Course Descriptions

The number in parentheses ( ) following each course title refers to the number of units the course is or can be worth.

**FBE 515 Deals (3-4) (Enroll in LAW 815)** Examines the collaboration between business people aiming to accomplish a goal and lawyers translating their business objectives into contract language to achieve the goal.

**FBE 523 Venture Capital and Private Equity (3, Fa)** Advanced analysis of the economics of the private equity markets. Consider and value private securities in venture capital, initial public offerings, and leveraged buyouts. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 524 Money and Capital Markets (3, Fa)** Review of financial institutions and markets, the determinants of interest rates, the impact of government regulation and policy on the financial system. *Prerequisite:* GSBA 511; GSBA 521*b* or GSBA 548; GSBA 544 or GSBA 549 or GSBA 580.

**FBE 525 Financial Institution Management, Strategy and Valuation (3, Fa)** Application of economic and financial analytic techniques to the managerial problems of financial institutions and implications for financial firm strategy and valuation. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 526 Macroeconomic Analysis for Business (3, Sp)** The economic environment of business: American economic and social goals and policies and their impact on business; growth, stability, and the new priorities; international forces influencing business. Open only to graduate business and accounting students.

**FBE 527 Entrepreneurial Finance: Financial Management for Developing Firms (3, FaSp)** Internal financial management of developing firms. Cash flow analysis; capital budgeting; sources of financing; risk analysis; measurement of profits; and mergers and acquisitions. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 529 Financial Analysis and Valuation (3, FaSp)** An applications-oriented course to develop the financial and accounting tools required to do financial planning valuation and assessment of financial performance. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 531 Corporate Financial Policy and Corporate Governance (3 Sp)** Advanced analysis of the determinants of corporate capital structure and payout policies, allocation and value of corporate control, and security issuance and retirement. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 532 Corporate Financial Strategy (3, FaSm)** Linkage between financial theory and policy and corporate strategy; the role of financial managers in developing corporate strategy; applications of concepts and techniques using cases. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 533 CEO Pay, Corporate Governance, and the Politics of Finance (3, Sp)** Explores how value is created (or destroyed) in organizations, focusing on compensation and incentive systems and the causes and consequences of government (and populist) intervention. *Prerequisite:* GSBA 521*b* or GSBA 548.

**FBE 535 Applied Finance in Fixed Income Securities (3, Sp)** The basic principles underlying fixed income securities and how these principles apply to the practical aspects of fixed income management. *Prerequisite:* GSBA 521*b* or GSBA 548.

- FBE 540 Hedge Funds (3, Fa Sp)** Introduction to the investment strategies used by hedge funds, the quantitative tools and business plans used to implement them. *Prerequisite:* GSBA 521b or GSBA 548; *recommended preparation:* statistics and calculus.
- FBE 543 Forecasting and Risk Analysis (3, FaSpSm)** Application of econometric tools and versions of Capital Asset Pricing Models to estimate financial risk and stock market risk premia for portfolio management. *Prerequisite:* FBE 506 or GSBA 506b or GSBA 524 or (GSBA 516 and GSBA 545).
- FBE 553ab Applied Portfolio Management (a: 3, Fa; b: 3, Sp)** *a:* Application of portfolio management techniques in a laboratory setting. Stock selection, asset allocation, industry analysis, investment thesis research; off-site visits; oral and written presentations. *Prerequisite:* GSBA 521b or GSBA 548; *corequisite:* FBE 555. *b:* Application of advanced portfolio management techniques in a laboratory setting. Bond portfolio management, quantitative stock screens, derivatives trading, portfolio optimization. Off-site visits and presentations.
- FBE 554 Trading and Exchanges (3, Sp)** Theories, practices, and technologies of trading at exchanges and in dealer networks. Sources of liquidity, volatility, profitability, and institutional change. Domestic and international public policy issues. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 555 Investment Analysis and Portfolio Management (3, FaSp)** Analysis and management of common stocks and fixed income securities; development of modern portfolio theory and the efficient market hypothesis; organization of securities markets. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 557 Business Law and Ethics (3, FaSpSm)** Business law of traditional and e-contracts, UCC, crimes, torts, employment, ethics, social responsibility, intellectual property, digital law, e-commerce, accountants' liability, property, estates, and government regulation. Open only to graduate business and accounting students.
- FBE 558 Legal Environment of Business and Corporate Governance (3, FaSpSm)** Legal environment of agency law, general and limited partnerships, limited liability companies, corporate formation and financing, corporate governance, securities law, acquisitions, bankruptcy, and business ethics. Open only to graduate business and accounting students.
- FBE 559 Management of Financial Risk (3, FaSp)** Analysis of commodity, futures, and options contracts; theoretical and empirical approaches; spot and futures price relationships, speculation and hedging strategies; market efficiency. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 560 Mergers and Acquisitions (3, Sp)** Practical application of the critical components of mergers and acquisitions: deal flow strategies, preliminary negotiations, deal structures, due diligence, valuation, post-merger integration, and regulations. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 562 Current Issues in International Finance (3, Fa)** International monetary relations, financial markets, and institutions; theory and evidence of alternative approaches to balance of payments; current policy evaluation. *Prerequisite:* GSBA 511; GSBA 544 or GSBA 549 or GSBA 580.
- FBE 563 Theory of International Trade (3, Sp)** Comparative advantage and gains from trade; factor proportions and efficiency; factor price equalization; terms of trade; tariffs, customs, unions and trade agreements. *Prerequisite:* GSBA 511; GSBA 544 or GSBA 549 or GSBA 580.

- FBE 564 International Financial Management (3, Sm)** Financial management of the multinational firm; legal entities and taxation abroad; risk in foreign operations; strategies in foreign exchange, money and capital markets and institutions. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 565 Economics of Urban Land Use: Feasibility Studies (3, Sp)** Economic, market and financial analysis related to feasibility of real estate development; theory and case analysis. *Prerequisite:* GSBA 511 or GSBA 521b or GSBA 548.
- FBE 566 Real Estate Finance, Investments and Development (3, Sm)** Analysis of economic and financial aspects of real estate decisions for students not concentrating in real estate. Dynamics of financing, markets and the development process. Not open to business, accounting and construction management students.
- FBE 570 Advanced Topics in Real Estate Finance (3, Fa)** Current topics in real estate finance including sources of equity and debt, the role of capital markets, REITs, conduits, portfolio analysis, and acquisition of distressed assets. Cases and analytic methods. *Prerequisite:* GSBA 521b or GSBA 548; *recommended preparation:* FBE 591.
- FBE 571 Introduction to Financial Analysis: Practicum (3, FaSp)** This introductory financial analysis (tools, techniques) practicum, emphasizes practical application of asset valuation and portfolio management techniques for those with little previous experience. (Duplicates credit in FBE 572 and FBE 573.) Graded CR/NC. *Prerequisite:* GSBA 548 or GSBA 521b.
- FBE 572 Intermediate Financial Analysis: Practicum (3, Sp)** This practicum emphasizes asset valuation, including applications of tools and inputs (including economics, accounting, and quantitative techniques) in asset valuation for those with prior experience. (Duplicates credit in FBE 571 and FBE 573.) Graded CR/NC. *Prerequisite:* GSBA 548 or GSBA 521b.
- FBE 573 Advanced Financial Analysis: Practicum (3, Sp)** This is an advanced practicum emphasizing portfolio management skills, including applied strategies (tools, inputs) in equity and fixed-income management for those with extensive prior experience. (Duplicates credit in FBE 571 and FBE 572.) Graded CR/NC. *Prerequisite:* GSBA 548 or GSBA 521b.
- FBE 587 Legal and Regulatory Environment of Long Term Care (4, Fa)** Comprehensive overview of substantive business law topics and issues as they affect the long term care industry. (Duplicates credit in FBE 557, FBE 558.)
- FBE 588 Advanced Real Estate Law (3, SpSm)** Legal aspects of real estate transactions; partnerships, syndicates, and other ownership forms. Legal aspects of land use control, zoning and environmental impact reports. Duplicates credit in RED-562.
- FBE 589 Mortgages and Mortgage-Backed Securities and Markets (3, Fa)** Valuation and analysis of residential and commercial mortgages and mortgage-backed securities and related markets. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 590 Directed Research (1-12, FaSpSm)** Research leading to the master's degree. Maximum units which may be applied to the degree to be determined by the department. Graded CR/NC.
- FBE 591 Real Estate Finance and Investment (3, FaSp)** Analysis of investment in and financing of real estate assets including projections, valuation, deal structure, contracts, portfolio and tax and entity considerations. *Prerequisite:* GSBA 521b or GSBA 548.
- FBE 592 Field Research in Finance or Business Economics (.5-4, max 12, FaSpSm)** Individual or team projects studying the business practices of an industry, company, government agency, country, geographic region, etc. Proposal, data collection, analyses, and written report. Open only to master's and doctoral students. Graded CR/NC.

**FBE 593 Independent Research in Finance or Business Economics (.5-4, max 12, FaSpSm)**

Independent research beyond normal course offerings. Proposal, research and written report/paper required. Open only to master's students. Graded CR/NC.

**FBE 595 Internship in Finance or Business Economics (.5-2, max 9, FaSpSm)** Supervised on-the-job business experience in the student's area of interest. (Curricular Practical Training.) Open only to graduate business and accounting majors. Graded CR/NC.

*Recommended preparation:* Completion of required MBA, M.Acc., or MBT course work.

**FBE 596 Research Practicum in Finance or Business Economics (.5-2, max 8, FaSpSm)**

Hands-on practical experience working with a Marshall faculty member in the Finance and Business Economics Department on an ongoing research project. Open only to master's and doctoral students. Graded CR/NC.

**FBE 597 Consulting Project in Finance or Business Economics (.5-5, max 12, FaSp)**

Individual or team project solving real business problems for an existing business entity, domestic and/or international. Proposal, field research, analyses and oral and written presentations. Open only to master's and doctoral students. Graded CR/NC.

**FBE 598 Special Topics (1, 1.5, 2, or 3, max 9, Irregular)** Current developments in the field of Finance and Business Economics; topics to be selected each semester. Graded CR/NC.

**FBE 599 Special Topics (1, 1.5, 2, or 3, max 9, Irregular)** Current developments in the field of Finance and Business Economics; topics to be selected each semester. Letter-graded.

COURSE OFFERINGS FOR 2016-17

Course	Title	Fall '16	Spring '17	Su' 2017
FBE 523	Private Equity		X	
FBE 524	Money and Capital Markets	X		
FBE 527	Entrepreneurial Finance: Financial Management for Developing Firms	X		
FBE 529	Financial Analysis and Valuation	X	X	
FBE 531	Corporate Financial Policy and Corporate Governance		X	
FBE 532	Corporate Financial Strategy	X		
FBE 535	Applied Finance in Fixed Income Securities		X	
FBE 540	Hedge Funds	X		
FBE 543	Forecasting and Risk Analysis		X	X
FBE 553ab	Applied Portfolio Management	X	X	
FBE 554	Trading and Exchanges		X	
FBE 555	Investment Analysis and Portfolio Management	X	X	
FBE 557	Business Law and Ethics		X	X
FBE 558	Legal Environment of Business and Corporate Governance		X	X
FBE 559	Management of Financial Risk	X	X	
FBE 560	Mergers and Acquisition		X	
FBE 565	Economics of Urban Land Use: Feasibility Studies		X	
FBE 570	Advanced Topics in Real Estate Finance	X		
FBE 571	Introduction to Financial Analysis: Practicum	X	X	
FBE 572	Intermediate Financial Analysis: Practicum		X	
FBE 573	Advanced Financial Analysis: Practicum		X	
FBE 588	Advanced Real Estate Law			X
FBE 589	Mortgages and Mortgage-Backed Securities and Markets	X		
FBE 591	Real Estate Finance and Investment	X	X	