

MASTER OF SCIENCE  
FINANCE

**INTRODUCTION**

The Department of Finance & Financial Institutions (College of Business Administration) offers a Master's degree in **Finance**. Both full-time and part-time students may be admitted to the program. This program which is thesis based, is designed in such a way as to provide the transmission of high-quality finance knowledge to students who want to work as finance practitioners, performing core functions in asset pricing, design of trading rules and financial forecasting.

*According to the University Council decision dated 4/2/2007, Thesis students admitted with effect from September 2007 are exempted from the comprehensive examination.*

**PROGRAM REQUIREMENTS**

**30 TOTAL COURSE CREDITS**

**12 COMPULSORY (3 credits each)**

- 1012-500 Corporate Finance
- 1012-502 International Finance  
**Equivalent to** 1015-522 International Corporate Finance
- 1012-503 Financial Risk Management  
**Equivalent to** 1015-525 Risk Management
- 1012-504 Research Methods in Finance

**9 Elective courses (3 credits each)**

- 1012-501 Investment and Portfolio Management  
**Equivalent to** 1015-523 Investment Analysis and Portfolio Management
- 1012-505 Financial Econometrics
- 1012-510 Behavioral Finance
- 1012-511 Financial Modeling
- 1012-512 Islamic Finance
- 1012-513 Case Studies in Finance
- 1012-518 Special Topics I
- 1012-519 Special Topics II

**9 COMPULSORY**

- 1012-597 Thesis (0)
- 1012-598 Thesis (0)
- 2000-599 Thesis (9)

**Foundation Courses**

Graduate of non-finance, non-business disciplines are required to take and pass, with an average of B, three foundation courses (3 credits each) out of the list of courses offered by the MBA program. Graduates of non-finance business disciplines will be granted exemptions on a case-by-case basis as judged by the Program Director. A placement test may be required for this purpose. Foundation courses may be taken concurrently with core courses.

- 1015-521 Financial Management
- 1015-531 Business Statistics
- 1015-571 Financial and Managerial Accounting
- 1015-572 Survey of Economics

***COURSE DESCRIPTION***

**1012-500: CORPORATE FINANCE  
CR: 3**

This course provides the knowledge and tools required to understand the financing and investment decisions of corporations. Topics include capital markets, capital budgeting, asset pricing models, capital structure, the cost of capital, dividend policy, working capital management, mergers, restructuring and corporate control.

**1012-501: INVESTMENT AND PORTFOLIO  
MANAGEMENT  
CR: 3**

The course is an in depth study of fundamental principles related to portfolio theory and investment analysis. Topics to be covered in this course are investment environment, financial markets, portfolio theory, equity, fixed income securities, option valuation, and other derivative securities.

**1012-502: INTERNATIONAL FINANCE  
CR: 3**

This course deals in detail with financial operations that encompass a foreign currency factor. These include arbitrage, hedging, speculation, investment and financing. These operations are studied by taking into account real world conditions, such as transaction costs and bid-offer spreads.

**1012-503: FINANCIAL RISK MANAGEMENT  
CR: 3**

The course is a study of financial hedging, which consists of taking an opposite position on another financial instrument, most commonly a derivative instrument. Emphasis is on the market risk arising from fluctuations in the prices of fixed income securities, equity and foreign exchange.

**1012-504: RESEARCH METHODS IN FINANCE  
CR: 3**

This course introduces students to quantitative and qualitative research methods in finance, including estimation, hypothesis testing and survey design. It is also about the philosophy of research in finance, including research design and the ethical issues of research. Another element of this course is the importance of concise writing and presentation of results using informative graphs and tables.

**1012-505: FINANCIAL ECONOMETRICS  
CR: 3**

This course provides knowledge of the econometric methods used to analyze financial data, with applications in all branches of finance, including investment and portfolio management and international finance. Topics include the conventional ordinary least squares (OLS) method, univariate analysis, co-integration, error correction modeling and general dynamic modeling. The use of econometric packages such as Eviews, Microfit and Shazam is an integral part of the course.

**1012-510: BEHAVIORAL FINANCE**  
**CR: 3**

The course deals with an alternative approach to the study of financial markets, an approach that incorporates the principles of psychology. This approach starts with an observation that the assumption of investor rationality and perfect arbitrage are inconsistent with psychological and institutional evidence and that it is indeed inconsistent with the observed behavior of financial market participants. It is demonstrated that behavioral finance models explain the available financial data better than the conventional efficient market hypothesis. The principles of behavioral finance are studied in reference to the stock market and the foreign exchange market.

**1012-511: FINANCIAL MODELING**  
**CR: 3**

The course aims to provide practical relevance and real-world applications to finance concepts. Adopting a problem-solving approach, it focuses on computational issues in corporate finance, international finance, investment and portfolio management and financial risk management. The subject requires an intensive use of Excel spreadsheets.

**1012-512: ISLAMIC FINANCE**  
**CR: 3**

This course provides an introduction to Islamic banking, Shari'ah, Islamic economics, Islamic financial contracts and products development, accounting for Islamic financial transactions, risk management in Islamic financial markets and institutions, Islamic corporate governance and legal and regulatory issues in Islamic banking and finance.

**1012-513: CASE STUDIES IN FINANCE**  
**CR: 3**

An examination of case studies in corporate finance, international finance, investment and portfolio management and financial risk management. The cases may involve quantitative and qualitative techniques. They describe business situations faced by financial managers, who must conduct thorough analysis for the purpose of decision making.

**1012-518: SPECIAL TOPICS I**  
**CR: 3**

This course deals with a current practical issue such as the global financial crisis. Otherwise, it may deal with a narrow but important topic, such as the Basel II & III Accord, or more focused topics in finance such as Operational Risk, Macro Finance, Financial Markets Microstructure, Financial Regulation, Financial Forecasting, Foreign Direct Investment, Development Finance, and Finance Applications of Monte Carlo Simulation.

**1012-519: SPECIAL TOPICS II**  
**CR: 3**

This course deals with a current practical issue such as the global financial crisis. Otherwise, it may deal with a narrow but important topic, such as the Basel II Accord, or more focused topics in finance such as Operational Risk, Macro Finance, Financial Markets Microstructure, Financial Regulation, Financial Forecasting, Foreign Direct Investment, Development Finance, and Finance Applications of Monte Carlo Simulation.

**1012-597: THESIS**  
**CR: 0**

**1012-598: THESIS**  
**CR: 0**

**2000-599: THESIS**  
**CR: 9**