

**Master of Science in Investment Management (MSIM) Program**  
**Boston University School of Management**

**Course Descriptions (2008)**

*Semester 1 (Spring)*

**FI 714**

**Managerial Decision Making (2 credits)**

The aim is to present many of the decision problems managers face and to provide the relevant economic analysis. Microeconomics establishes the setting in which managers must make production, pricing, investment, and other strategic decisions. Macroeconomics provides practical tools to understand the national and international environment.

**FI 600**

**Quantitative Foundations (2 credits)**

Quantitative Foundations introduces students to the basics of quantitative methods, providing many basic tools used in the MSIM program investment management. Statistical analysis is covered in depth.

**FI720**

**Financial Statement Analysis (3 credits)**

This course is designed to review financial accounting rules and develop skills in interpreting and analyzing external financial reports. Both traditional and recently advocated methods of financial statement analysis will be studied, taking the perspective of investors and creditors. Among the topics to be investigated are: (1) the mechanics of financial statement analysis; (2) managers' incentives in making accounting choices; (3) the usefulness of accounting numbers in an efficient market; and (4) international comparisons of financial statements.

**FI728**

**Principles of Finance (4 credits)**

Decisions today affect the timing of and uncertainty about future flows of income. Both timing and risk determine the current value of those future flows. This course develops the tools required to analyze these decisions and their interaction within the financial system. Major topics include: (1) saving and investment decisions by households; (2) investment and financing decisions by corporations; and (3) the role of securities markets and financial intermediaries in the economy. Advanced present value analysis is a key topic.

*Semester 2 (Summer)*

**FI 730**

**Corporate Finance (4 credits)**

This course is an in-depth analysis of financial considerations relating to maximizing the value of a corporation. It examines the setting of financial and corporate goals in terms of maximizing shareholders' equity, optimal financing policy and relationships among dividend policy, debt levels, capital costs, return on investments, and growth.

**FI 735**

**Equity Analysis (4 credits)**

This course explores equity valuation through the use of fundamental analysis, including industry analysis and intrinsic value modeling. Fundamental analysis includes developing a thorough understanding of an industry, including how companies make money as well as how stocks are valued within the industry. Students are assigned to a sector, select their own small-cap industry and develop detailed industry and stock research reports. This course leads to research analyst responsibilities for the SMG Equity Fund.

*Semester 3 (Fall)*

**FI 742**

**Fixed Income Analysis (4 credits)**

This course covers valuation and portfolio management techniques for fixed income securities. Major topics include: the term structure of interest rates; the measurement and management of price volatility using duration and immunization; credit risk embedded options and option-adjusted spreads; mortgages and prepayment risk; and international bond portfolios.

**FI 748**

**Derivatives (4 credits)**

Futures and stock options are recognized as important tools of investment and risk reduction. This course covers the theory of futures and option pricing, and develops a framework for analyzing hedging and investment decisions using futures, swaps and options. Attention is paid to practical considerations in the use of these investments, especially regarding the institutional features of the market in which the various instruments are traded.

*Semester 4 (Spring)*

**FI 752**

**Risk Management (4 credits)**

This course focuses on the application of investment theory to the management of portfolio risk and is supplemented by a review of practical risk issues. Major topics

include equity risk models, alternative measures of risk (VAR), credit risk and operational risk. Time series modeling and advanced analysis of financial statement information is also included.

### **FI 756**

#### **Portfolio Management (4 credits)**

This is a case course focusing on the use of stocks, bonds and derivatives for the creation and management of investment products. The cases are designed and reviewed by practitioners. They include developing a 401(k) plan, an investment strategy for a high net worth individual and investment policy for a defined benefit plan. Student responsibilities also include supporting management of the SMG Equity Fund. This course explores the behavior of asset classes, asset allocation, effective investment process design, performance attribution and portfolio management software. This class includes several outside speakers.

### **FI 700**

#### **Integrated Investment Management (3 credits)**

The final course in the MSIM degree provides students an opportunity to apply the knowledge they have learned throughout the program. Students present final recommendations for the Portfolio Management cases to guest practitioners. The SMG Equity fund performance is analyzed and reviewed by students. Several specialized topics in investing, including ethics and alternative investments, are also covered. A number of outside speakers and a field trip to Boston's financial district are also key parts of the course.