FINANCE (FNCE)

FNCE 100 Corporate Finance
This course provides an introduction to the theory, the methods, and the concerns of corporate finance. The concepts developed in FNCE 100 form the foundation for all elective finance courses. The main topics include: 1) the time value of money and capital budgeting techniques; 2) uncertainty and the trade-off between risk and return; 3) security market efficiency; 4) optimal capital structure, and 5) dividend policy decisions. ACCT 101 + STAT 101 may be taken concurrently.
Taught by: Changes by semester
Also Offered As: FNCE 611
Prerequisite: (ECON 001 AND ECON 002) OR ECON 010 AND (MATH 104 OR MATH 110)
Activity: Lecture
1.0 Course Unit

FNCE 101 Monetary Economics and the Global Economy
This is an intermediate-level course in macroeconomics and the global economy, including topics in monetary and international economics. The goal is to provide a unified framework for understanding macroeconomic events and policy, which govern the global economic environment of business. The course analyzes the determinants and behavior of employment, production, demand and profits; inflation, interest rates, asset prices, and wages; exchange rates and international flows of goods and assets; including the interaction of the real economy with monetary policy and the financial system. The analysis is applied to current events, both in the US and abroad. Students cannot receive credit for taking both FNCE 101 and ECON 102. Wharton students are required to take FNCE 101.
Taught by: Varies by semester
One-term course offered either term
Also Offered As: BEPP 202
Prerequisite: (ECON 001 AND ECON 002) OR ECON 010 AND (MATH 104 OR MATH 110)
Activity: Lecture
1.0 Course Unit

FNCE 202 Consumer Financial Decision Making
Research shows that many individuals are profoundly underinformed about important financial facts and financial products, which frequently lead them to make mistakes and lose money. Moreover, consumer finance comprises an enormous sector of the economy, including products like credit cards, student loans, mortgages, retail banking, insurance, and a wide variety of retirement savings vehicles and investment alternatives. Additionally, recent breakthroughs in the FinTech arena are integrating innovative approaches to help consumers. Though virtually all people use these products, many find financial decisions to be confusing and complex, rendering them susceptible to fraud and deception. As a result, government regulation plays a major role in these markets. This course intended for Penn undergraduates considers economic models of household decisions and examines evidence on how consumers are managing (and mismanaging) their finances. Although academic research has historically placed more attention on corporate finance, household finance is receiving a brighter spotlight now-- partly due to its role in the recent financial crisis. Thus the course is geared toward those seeking to take charge of their own financial futures, anyone interested in policy debates over consumer financial decision making, and future FinTech entrepreneurs.
Taught by: Olivia Mitchell/Nicholas Roussanov
One-term course offered either term
Also Offered As: BEPP 202
Prerequisite: (ECON 001 AND ECON 002) OR ECON 010 AND (MATH 104 OR MATH 110)
Activity: Lecture
1.0 Course Unit

FNCE 203 Advanced Corporate Finance
The objective of this course is to study the major decision-making areas of managerial finance and some selected topics in financial theory. The course reviews the theory and empirical evidence related to the investment and financing policies of the firm and attempts to develop decision-making ability in these areas. This course serves as an extension of FNCE 100 (FNCE 611). Some are as of financial management not covered in FNCE 100 are covered in FNCE 203. These may include leasing, mergers and acquisitions, corporate reorganizations, financial planning and working capital management, and some other selected topics. Other areas that are covered in FNCE 100 are covered more in depth and more rigorously in FNCE 203. These include investment decision making under uncertainty, cost of capital, capital structure, pricing of selected financial instruments and corporate liabilities, and dividend policy.
Taught by: Changes by semester
One-term course offered either term
Also Offered As: FNCE 726
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit
FNCE 205 Investment Management
This course studies the concepts and evidence relevant to the management of investment portfolios. Topics include diversification, asset allocation, portfolio optimization, factor models, the relation between risk and return, trading, passive (e.g., index-fund) and active (e.g., hedge-fund, long-short) strategies, mutual funds, performance evaluation, long-horizon investing and simulation. The course deals very little with individual security valuation and discretionary investing (i.e., 'equity research' or 'stock picking'). In addition to course prerequisites, STAT 102 may be taken concurrently.
Taught by: Changes by semester
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 101
Activity: Lecture
1.0 Course Unit

FNCE 206 Financial Derivatives
This course covers one of the most exciting yet fundamental areas in finance: derivative securities. In the modern financial architecture, financial derivatives can be the most challenging and exotic securities traded by institutional specialists, while at the same time, they can also be the basic securities commonly traded by retail investors such as S&P Index Options. Beyond trading, the basic ideas of financial derivatives serve as building blocks to understand a much broader class of financial problems, such as complex asset portfolios, strategic corporate decisions, and stages in venture capital investing. The global derivatives market is one of the most fast-growing markets, with over $600 trillion notional value in total. It is important as ever to understand both the strategic opportunities offered by these derivative instruments and risks they imply. The main objective of this course is to help students gain the intuition and skills on (1) pricing and hedging of derivative securities, and (2) using them for investment and risk management. In terms of methodologies, we apply the non-arbitrage principle and the law of one price to dynamic models through three different approaches: the binomial tree model, the Black-Scholes-Merton option pricing model, and the simulation-based risk neutral pricing approach. We discuss a wide range of applications, including the use of derivatives in asset management, the valuation of corporate securities such as stocks and corporate bonds with embedded options, interest rate derivatives, credit derivatives, as well as crude oil derivatives. In addition to theoretical discussions, we also emphasize practical considerations of implementing strategies using derivatives as tools, especially when no-arbitrage conditions do not hold. In addition to course prerequisites, STAT 102 may be taken concurrently.
Taught by: Varies by semester
One-term course offered either term
Also Offered As: FNCE 717
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 101
Activity: Lecture
1.0 Course Unit

FNCE 207 Valuation
The focus of this course is on the valuation of companies. The course covers current conceptual and theoretical valuation frameworks and translates those frameworks into practical approaches for valuing companies. The relevant accounting topics and the appropriate finance theory are integrated to show how to implement the valuation frameworks discussed on a step-by-step basis. The course teaches how to develop the required information for valuing companies from financial statements and other information sources in a real-world setting. Topics covered in depth include discounted cash flow techniques and price multiples. In addition, the course covers other valuation techniques such as leveraged buyout analysis. During the spring semester students cannot take Professor Glode’s FNCE 207 class pass/fail. This section must be taken for a grade. Professor Glode requires attendance at first class.
Taught by: Professor Holthausen (Fall); Professor Glode (Spring)
One-term course offered either term
Prerequisite: FNCE 100 AND ACCT 101 AND STAT 101
Activity: Lecture
1.0 Course Unit

FNCE 209 Real Estate Investment: Analysis and Financing
This course provides an introduction to real estate with a focus on investment and financing issues. Project evaluation, financing strategies, investment decision making and real estate capital markets are covered. No prior knowledge of the industry is required, but students are expected to rapidly acquire a working knowledge of real estate markets. Classes are conducted in a standard lecture format with discussion required. The course contains cases that help students evaluate the impact of more complex financing and capital markets tools used in real estate. There are case studies and two midterms, (depending on instructor).
Taught by: Ferreira, Handbury, Harari, Keys, Sinai, Wong
One-term course offered either term
Also Offered As: REAL 209
Prerequisite: FNCE 100
Activity: Lecture
1.0 Course Unit

FNCE 219 International Financial Markets
FNCE 219 is a course on international financial markets. Major topics include foreign exchange rates, international money markets, currency and interest rate derivatives (forwards, options, and swaps), international stock and bond portfolios, and cryptocurrencies. Students learn about the features of financial instruments and the motivations of market participants. The class focuses on risk management, investing, and arbitrage relations in these markets. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Urban Jermann
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 101
Activity: Lecture
1.0 Course Unit
FNCE 230 Urban Fiscal Policy
This course will examine the provision of public services for firms and people through cities. Why cities exist, when fiscal policy fails, investments in infrastructure, realities of local governments such as inequality, crime, corruption, high cost of living, congestion, and unfunded pensions and debt, will be covered. We will pay special attention to recent topics, such as partnerships with the private sector, enterprise zones, the role of technology, environmental challenges, and real estate policies that promote housing affordability, such as rent control and inclusionary zoning.
Taught by: Fernando Ferreira
Course usually offered in spring term
Also Offered As: BEPP 230, REAL 230
Activity: Lecture
1.0 Course Unit

FNCE 231 International Corporate Finance
(Formerly FNCE 208) Analyzes financial problems corporations face that result from operating in an international environment. Major topics include managing exchange risk through hedging and financing, measuring exchange rate exposure, calculating the cost of capital for foreign operations, assessment of sovereign risks, capital budgeting from a project and parent perspective, and international taxation.
Taught by: Karen Lewis
Also Offered As: FNCE 731
Prerequisite: FNCE 100
Activity: Lecture
1.0 Course Unit

FNCE 232 International Banking
(Formerly FNCE 220) This course focuses on international financial institutions, especially the activities of global, systemically important banks. We will examine how current and historical events are reshaping the industry and highlight the basic analytics of managing a bank's exposure to liquidity, credit, market and reputational risk. Most classes will begin with discussion of a current event related to course topics. Three team projects will be assigned that will give you deeper exposure to analytic techniques related to the course. Throughout the semester, we will discuss public policy issues facing the international financial system. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Professor Richard Herring
Course usually offered in spring term
Prerequisite: FNCE 100
Activity: Lecture
1.0 Course Unit

FNCE 233 Real Estate Finance
(Formerly FNCE 229) This course focuses on real estate financial markets and their components. It will cover the nature and characteristics of real estate assets, fundamental aspects of real estate investments, and the financial markets in which they are traded. We will also discuss the motivations of issuers and investors across different asset classes. The course will highlight the problems that real estate market participants are seeking to solve, which you can use in your post-Wharton careers to evaluate future market innovations. We will consider design, issuance, and pricing of financial instruments, the arbitrage strategies which keep their prices in-line with one another, and the associated economic and financial stability issues. We will draw from events in the aftermath of the recent financial crisis, which illustrate financing innovations and associated risks, as well as policy responses that can change the nature of these markets. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Changes by semester
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 101
Activity: Lecture
1.0 Course Unit

FNCE 234 Corporate Finance and Investments
This course focuses on the financial principles underlying corporate decision making. The objective of this course is to give you a broad understanding of the framework and evolution of U.S. capital markets, the instruments that are traded, the mechanisms that facilitate their trading and issuance, and the motivations of issuers and investors across different asset classes. The course will highlight the problems that capital market participants are seeking to solve, which you can use in your post-Wharton careers to evaluate future market innovations. We will consider design, issuance, and pricing of financial instruments, the arbitrage strategies which keep their prices in-line with one another, and the associated economic and financial stability issues. We will draw from events in the aftermath of the recent financial crisis, which illustrate financing innovations and associated risks, as well as policy responses that can change the nature of these markets. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Changes by semester
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 235 Fixed Income Securities
This course covers fixed income securities (including fixed income derivatives) and provides an introduction to the markets in which they are traded, as well as to the tools that are used to value these securities and to assess and manage their risk. Quantitative models play a key role in the valuation and risk management of these securities. As a result, although every effort will be made to introduce the various pricing models and techniques as intuitively as possible and the technical requirements are limited to basic calculus and statistics, the class is by its nature quantitative and will require a steady amount of work. In addition, some computer proficiency will be required for the assignments, although familiarity with a spreadsheet program (such as Microsoft Excel) will suffice. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Changes by Semester
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 101
Activity: Lecture
1.0 Course Unit

FNCE 236 Capital Markets
The objective of this course is to give you a broad understanding of the framework and evolution of U.S. capital markets, the instruments that are traded, the mechanisms that facilitate their trading and issuance, and the motivations of issuers and investors across different asset classes. The course will highlight the problems that capital market participants are seeking to solve, which you can use in your post-Wharton careers to evaluate future market innovations. We will consider design, issuance, and pricing of financial instruments, the arbitrage strategies which keep their prices in-line with one another, the associated economic and financial stability issues. We will draw from events in the aftermath of the recent financial crisis, which illustrate financing innovations and associated risks, as well as policy responses that can change the nature of these markets. In addition to course prerequisites, FNCE 101 is recommended.
Taught by: Changes by semester
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit
FNCE 250 Venture Capital and the Finance of Innovation
This course covers the finance of technological innovation, with a focus on the valuation tools useful in the venture capital industry. These tools include the ‘venture capital method,’ comparables analysis, discounted cash flow analysis, contingent-claims analysis. The primary audience for this course is finance majors interested in careers in venture capital or in R&D-intensive companies in health care or information technology.
Taught by: Luke Taylor
Course usually offered in fall term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 251 The Finance of Buyouts and Acquisitions
The course focuses on financial tools, techniques, and best practices used in buyouts (financial buyers) and acquisitions (strategic buyers). While it will touch upon various strategic, organizational, and general management issues, the main lens for studying these transactions will be a financial one. It will explore how different buyers approach the process of finding, evaluating, and analyzing opportunities in the corporate-control market; how they structure deals and how deal structure affects both value creation and value division; how they add value after transaction completion; and how they realize their ultimate objectives (such as enhanced market position or a profitable exit). The course is divided into two broad modules. The first module covers mergers and acquisitions, and the second one studies buyouts by private equity partnerships. During the spring semester this course cannot be taken pass/fail. FNCE 203 or FNCE 207 may be taken concurrently.
Taught by: Bilge Yilmaz
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 254 Impact Investing
This course explores Impact Investing, a discipline that seeks to generate social benefits as well as financial returns. From tiny beginnings, the Impact Investment space has expanded and now commands significant attention from policymakers, wealthy and public-spirited individuals, academia and, not least, the world’s largest asset managers and philanthropic foundations. Evangelists believe it may be the key to freeing the world from poverty. Skeptics think it will remain confined to the boutique. Regardless, Impact Investing is becoming a distinct career specialization for finance professionals despite the diverse skillset each must have and the uncertainty of the new field’s growth. FNCE 101, FNCE 205, and FNCE 238 are recommended but not required.
Taught by: Chris Geczy
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 256 Energy Finance
The objective of this course is to provide students with detailed knowledge of corporate structures, valuation methods, project finance, risk management practices, corporate governance issues, and geopolitical risks in the energy industry. In general, this course seeks to provide students with an overall context for understanding energy issues and risks, and how these might affect financing and investment decisions for both providers of energy and end-users of energy. FNCE 203 or FNCE 207 are recommended but not required.
Taught by: Professor Erik Gilje
Course usually offered in spring term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 257 Foundations of Asset Pricing
This course will cover methods and topics that form the foundations of modern asset pricing. These include: investment decisions under uncertainty, mean-variance theory, capital market equilibrium, arbitrage pricing theory, state prices, dynamic programming, and risk-neutral valuation as applied to option prices and fixed-income securities. Upon completion of this course, students should acquire a clear understanding of the major principles concerning individuals’ portfolio decisions under uncertainty and the valuations of financial securities. In addition one of the following is recommended FNCE 205; BEPP 250; MATH 360; STAT 433
Taught by: Jessica Wachter
Course usually offered in spring term
Also Offered As: FNCE 757
Prerequisite: FNCE 100 AND FNCE 101 AND MATH 114 AND MATH 312 AND STAT 430
Activity: Lecture
1.0 Course Unit

FNCE 283 Strategic Equity Finance
This course combines lectures and cases, and will go through actual situations where companies need to make strategic decisions on raising equity capital. We will address different phases of a company’s life cycle. Through these cases, from the decision-makers perspective, we will explore the different paths that can be taken and consider issues such as investor activism, governance and regulatory and valuation impact.
FNCE 283 is a half semester course. FNCE 238 is recommended but not required.
Taught by: Professor David Musto and Professor David Erickson
One-term course offered either term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
0.5 Course Units
FNCE 291 Corporate Restructuring
This course will explore the highly active and sophisticated deal making environment that is the hallmark of modern distress corporate restructuring. The course is primarily comprised of two key components. The first is groundwork-laying lectures by three of the top practitioners in the restructuring field. In particular, the lectures will focus on fundamental rights and obligations of debtors, creditors, and other parties in interest in the various types of major chapter 11 cases, providing critical insight into understanding the motivations, strategies, and available tools for chapter 11 participants (which also serve as the foundation for out-of-court deals). The course also will provide a valuation framework for distressed assets. The second element of the course is a series of case study panels. The professors survey the market trends from the previous year bring together key participants from recent deals, including the CEO or chairman of the company, the judge, the lead banker and lead lawyer, and the lead investors to give their insight and perspectives to the class. These panels will provide students real-world insights into the most current issues in the field.
Other Information: Application: send a short 30 second to 1 minute video to Kyle.Ferrier@Kirkland.com stating why you want to take this course. The deadline to submit the video is June 21, 2020.
Taught by: Professor Bilge Yilmaz will co-teach with James Spayregen, Edward Sassower, Stephen Hessler from the Kirkland Law Firm.
Also Offered As: FNCE 791, LAW 908
Prerequisite: FNCE 101 AND FNCE 203 AND FNCE 207
Activity: Lecture
1.0 Course Unit

FNCE 311 Infrastructure Investing
The world economy runs on the infrastructure which has been built over the past 10,000 years. Each year, this infrastructure requires updating and new additions, from roads and bridges (the original infrastructure), to railroads, airports (the more recent infrastructure), to telecommunications and solar and wind power installations (modern infrastructure). There is a vast amount of public (i.e., taxpayer money directed by government officials) and private (i.e., individuals’ money typically managed on their behalf and directed by private equity or banks into infrastructure investments). In this course, we will cover Infrastructure Financing and investing from various angles. We will provide descriptions of types of infrastructure, examine the financing needs of infrastructure projects, consider the historic role of government and non-government funding, and assess the changing needs of consumers and role of technology and the increasing demands posed by a globalizing economy. As private equity firms continue to build infrastructure funds, the need for, and role for, private money continues to evolve, so we will also examine infrastructure investing as a alternative asset class from the investors’ perspective. FNCE 203 or FNCE 207 are recommended but not required.
Taught by: Professor Kevin Kaiser
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 341 Distressed Investing and Value Creation
This course familiarizes students with financial, strategic and legal issues associated with the restructuring of financially distressed firms and investment in distressed securities. The objective is to give students the concepts and tools necessary to assess the often-complex situation facing a firm facing financial distress. The course will cover the various options available for distressed firms, such as out-of-court workouts, exchange offers, prepackaged and pre-negotiated, bankruptcies, distressed asset sales, 363 auctions, and Chapter 11 reorganization. We will consider distressed debt as an asset class and develop techniques for investing in distressed securities. We will assess investment opportunities using the concepts of value investing, in which we distinguish the value of asset from price. Students will sharpen their conceptual knowledge of finance and valuation in order to properly estimate the value of a distressed firm, and its securities. We will also address the importance of value creation and how to manage for value creation to resolve distress, or avoid it in the first place. FNCE 203 or FNCE 207 are recommended but not required.
Taught by: Kevin Kaiser
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 384 Advanced Topics in Private Equity
This course will address a variety of applied topics in private equity (PE), with a focus on growth and later-stage buyout transactions (venture capital is not explicitly addressed in this course), and a primarily U.S.-centric view that should be largely applicable in other markets. In addition, the course will focus on the transaction stage of PE investing i.e., the art of the deal and mostly leave aside deal sourcing, portfolio management and investor relations. The goal of this course is to educate students about the substance, process and mechanics of PE investing, through the lens of the investment professionals, counterparties and advisors that drive transactions to completion. Course topics will address the entire deal process, and will include the following: Commercial Diligence (incl. financial modeling); Debt Financing; Accounting Diligence; Sales & Purchase Agreements; Comps Analysis; and Other Advisory Work. Throughout the course, students will learn about each element of the deal process through in-class lectures, while concurrently apply those learnings to a real-time mock deal, and preparing dealmaterials that mirror a real private equity transaction. The in-class lectures will cover both conceptual frameworks and real-world examples.
Taught by: Bilge Yilmaz and Burcu Esmer
Prerequisite: FNCE 100 AND FNCE 101 AND (FNCE 203 OR FNCE 251)
Activity: Lecture
1.0 Course Unit
FNCE 385 ASP - Fin-Tech
The course exposes students to this fast-growing and exciting intersection between finance (Fin) and technology (Tech) while emphasizing the role data and analytics play. The course is structured around three main FinTech areas: (i) Lending/Banking services, (ii) Clearing (iii) Trading. It provides specific coverage and examples of developments from (1) marketplace lending, (2) blockchain and distributed ledgers, (3) quantitative trading and its use of non-standard inputs. In each of these areas, we start by analyzing the marketplace, the incumbents, and then proceed to analyze the impact of the most relevant technologies have on the business. The course is built around data/code examples, cases, guest lectures, and group projects. Student are thus expected to work in teams and demonstrate a high level of independent learning and initiative.

Taught by: Shimon Kogan
Also Offered As: FNCE 885
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
0.5 Course Units

FNCE 386 ASP - Hedge Funds
This course will cover critical aspects and characteristics of hedge funds and the hedge fund industry. It will look at the legal foundations and structures of hedge funds including the primary regulations in the U.S. and abroad that are most relevant for hedge funds. It will also present the major hedge fund strategies, describe operation, control, administration, due diligence and valuation issues. Performance evaluation and investing in hedge funds from the investor’s perspective will be discussed as will be issues of potential changes in regulation, risk management, and the use of leverage. The format of the course will mix lectures with presentations from industry participants, hedge fund managers, those who invest in hedge funds, those who advise them and provide services to them, and those who regulate them. Those who want to launch a hedge fund, join an existing one, invest in one, or provide services to one will want to register for this course.

Taught by: Professor Scott Richard
Course usually offered in fall term
Prerequisite: FNCE 100 AND FNCE 101
Activity: Lecture
0.5 Course Units

FNCE 393 Central Banks, Macroeconomic Policy and Financial Markets
Understanding and predicting central banking decision making and behavior is crucial for all market participants from asset managers and traders to private consumers. This course aims to provide the methods and knowledge on how central banks and governments think and implement policies to reach the goals of price and financial stability as well as support of growth and employment. The core of the course connects between the legal and actual goals that central banks follow and the related economic analysis on which these goals and policies are set. We explain the economic rationale for the policy prescriptions to reach the goals and how these policies are actually implemented by the Federal Reserve Bank (Fed) in the US, the European Central Bank (ECB), Bank of Israel (BOI) and some remarks on other countries. We use data, current events of the 2007-2018 period as the basis for discussion and assignments. All of these are aimed understanding how and why the Fed, the ECB and the BOI set their policies. For each we shall simulate in class current decisions based on assignment related to past policies and the theory presented in class. In addition to course prerequisites, FNCE 100 is recommended.

Taught by: Zvi Eckstein and Joao Gomes
Also Offered As: FNCE 893
Prerequisite: FNCE 100 AND FNCE 101 AND STAT 102
Activity: Lecture
1.0 Course Unit

FNCE 395 Private Equity
The course will be a survey of the private equity asset class. Its objective is to provide an understanding of the concepts, agents, and institutions involved in the late stage corporate private equity market in the U.S. and around the globe. It will examine the buyout market and the activities of buyout funds from the differing perspectives of private equity investors, private equity fund sponsors, and managers of the portfolio companies. The course will be taught almost entirely with cases. Distinguished Wharton alumni in the private equity industry will be our guest speakers for many of the cases based on transactions they concluded. PLEASE NOTE: While this course is primarily intended for graduate students, admission may be granted to a limited number of interested undergraduate students. Be aware that this course may be recorded for live or subsequent distribution, display, broadcast, or commercialization in any media, including video, audio, or electronic media. For additional information, see the course syllabus or contact the department. This is a Pass/Fail course and will not count towards your concentration.

Also Offered As: FNCE 895
Prerequisite: FNCE 101 AND FNCE 203 OR FNCE 251
Activity: Lecture
0.5 Course Units

FNCE 399 Supervised Study in Finance
Integrates the work of the various courses and familiarizes the student with the tools and techniques of research.
Prerequisite: FNCE 100 AND FNCE 101
Activity: Independent Study
1.0 Course Unit
**FNCE 401 Advanced Topics in PE**  
This course will cover a variety of applied topics in private equity (PE) with a focus on growth and later-stage buyout transactions. It will have a primarily U.S.-centric view that is largely applicable to other markets. Venture capital is not explicitly addressed in this course. Course topics will address the entirety of the deal process and value creation in the post-acquisition period, and will include the following: - LBO modeling - Commercial due diligence (principles and execution) - Debt financing - Sale & purchase agreements (SPA) - Accounting diligence - Deal structuring - Operations & Value creation  
Throughout the course, students will learn about each element of the deal process through in-class lectures, while concurrently applying those learnings to former transactions (these must be old enough that sharing material is no longer sensitive). The in-class lectures will cover conceptual frameworks, practical considerations and real-world case studies and examples. There will be four assignments in this course. The first three assignments will apply these learnings to the art of the deal through a real world lens. In the last assignment, students will develop a value creation plan for designated public companies 'TargetCo1' and 'TargetCo2'. Students are expected to actively engage in classroom discussions, challenging one another and the instructors about how to think through these issues in an ever-evolving investment world. In addition, throughout the course, students are expected to work as a team on the assignments.  
Taught by: Bilge Yılmaz, Burcu Esmer  
One-term course offered either term  
Prerequisite: FNCE 101 AND FNCE 251 AND WH 101 AND WH 201 AND (WH 301 OR MGMT 301)  
Activity: Lecture  
1.0 Course Unit

**FNCE 402 Shareholder Activism**  
The aim of the course is to provide an introduction to shareholder activism. The course makes use of lectures and case studies. The lectures expose the students to the institutional and empirical facts as well as approaches followed by leading shareholder activists. The case studies are designed to provide students an experience on identifying potential opportunity for value creation through active engagement. Assignments require students to develop/practice skills on fundamental analysis.  
Taught by: Bilge Yılmaz  
Prerequisite: FNCE 100 AND FNCE 101 AND WH 101 AND WH 201 AND (WH 301 OR MGMT 301)  
Activity: Lecture  
1.0 Course Unit

**FNCE 403 Behavioral Finance**  
This course combines insights from behavioral economics and psychology to shed light on anomalous decisions by investors and possibly behavior of asset prices. Its content is designed to both complement and challenge the 'rational' investment paradigms developed in the early finance classes. It introduces students to much modern theoretical and empirical research showing this paradigm to be insufficient to describe various features of actual financial markets. The course structure involves early lectures, several cases, and a final project involving 'real life' examples and some modern research methods. In the capstone project students research and explore a specific behavioral bias or a profitable investment opportunity. Students will work in groups to simulate the behavior of, say, a portfolio management team looking for a new trading strategy; a consulting firm advising corporations on issues of financial management; or an entrepreneurial start-up developing a retail financial product. The main deliverable is in a form of a 'pitch' to potential clients to be delivered both in the form of a group presentation in class and a formal write-up to be submitted by the due date. Completion of FNCE 203 and FNCE 205 is recommended.  
Taught by: Nikolai Roussanov  
Course usually offered in spring term  
Prerequisite: FNCE 100 AND FNCE 101 AND WH 101 AND WH 201 AND (WH 301 OR MGMT 301)  
Activity: Lecture  
1.0 Course Unit

**FNCE 404 Financial Engineering**  
This course expands the key insights from the prior quantitative finance classes such as Derivatives and Fixed Income by using more advanced tools in statistics and applied mathematics. Its focus is on devising new and innovative financial products, often employing financial derivatives and related dynamic strategies, to address portfolio and risk-management problems. The course structure involves an introductory lectures and case discussions in the first half, and a capstone 'real life' group project where students will seek to address specific problems in finance faced by sell-side banks, and buy-side corporate clients or investment funds. Each project will focus on practical economic needs and standard activities of a specific client and/or bank and the use of derivatives and dynamic strategies to solve them. Programming skills and an exposure to numerical methods are an important part of the project in this course.  
Taught by: Krishna Ramaswamy  
Course offered summer, fall and spring terms  
Prerequisite: FNCE 101 AND (FNCE 207 OR FNCE 235) AND WH 101 AND WH 201 AND (WH 301 OR MGMT 301)  
Activity: Lecture  
0.5 Course Units
FNCE 611 Corporate Finance
This course serves as an introduction to business finance (corporate financial management and investments) for both non-majors and majors preparing for upper-level course work. The primary objective is to provide the framework, concepts, and tools for analyzing financial decisions based on fundamental principles of modern financial theory. The approach is rigorous and analytical. Topics covered include discounted cash flow techniques; corporate capital budgeting and valuation; investment decisions under uncertainty; capital asset pricing; options; and market efficiency. The course will also analyze corporate financial policy, including capital structure, cost of capital, dividend policy, and related issues. Additional topics will differ according to individual instructors.
Also Offered As: FNCE 100
Activity: Lecture
1.0 Course Unit

FNCE 613 Macroeconomics and the Global Economic Environment
This course is required for all students except those who, having prior training in macroeconomics, money and banking, and stabilization policy at an intermediate or advanced level, can obtain a waiver by passing an examination. The purpose of the course is to train students to think systematically about the current state of the economy and macroeconomic policy, and to be able to evaluate the economic environment within which business and financial decisions are made. The course emphasizes the use of economic theory to understand the workings of financial markets and the operation and impact of government policies. We will study the determinants of the level of national income, employment, investment, interest rates, the supply of money, inflation, exchange rates, and the formulation and operation of stabilization policies.
Taught by: Professors Abel, Landvoigt
Also Offered As: FNCE 101
Activity: Lecture
1.0 Course Unit

FNCE 621 Corporate Finance (Half CU)
(Formerly FNCE 614) This half-semester course serves as an introduction to corporate investments for non-majors. The primary objective is to provide a framework, concepts, and tools for analyzing financial decisions based on fundamental principles of modern financial theory. Topics covered include discounted cash flow techniques, corporate capital budgeting and valuation, investment decisions under uncertainty, and capital asset pricing. The approach is rigorous and analytical but the course will not cover several topics included in the full semester Corporate Finance course, including: market efficiency; corporate financial policy (including capital structure, cost of capital, dividend policy, and related issues), and options.
Taught by: Varies by semester
Prerequisite: (ACCT 611 OR ACCT 612 OR ACCT 613) AND (MGEC 611 AND MGEC 612) AND (STAT 613 OR STAT 621)
Activity: Lecture
0.5 Course Units

FNCE 623 Macroeconomics and The Global Economic Environment (Half CU)
(Formerly FNCE 615) This half-semester course in Macroeconomics is intended for non-finance majors. The goal of this course is to provide the foundation needed to recognize and understand broad economic and financial movements in the global economy. Key topics include national income accounting, production and economic growth, employment, business cycles, monetary and fiscal policy, and international finance. By the end of this course, students will be able to evaluate and discuss the global economic environment in which business and financial decisions are made.
Taught by: Varies by semester
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 717 Financial Derivatives
This course covers one of the most exciting yet fundamental areas in finance: derivative securities. Financial derivatives can be the most challenging and exotic securities traded by institutional specialists, while at the same time, they can also be the basic securities commonly traded by retail investors such as S&P Index Options. Beyond trading, the basic ideas of financial derivatives serve as building blocks to understand a much broader class of financial problems, such as complex asset portfolios, strategic corporate decisions, and stages in venture capital investing. The main objective of this course is to help students gain the intuition and skills on (1) pricing and hedging of derivative securities, and (2) using derivatives for investment and risk management. In terms of methodologies, we apply the non-arbitrage principle and the law of one price to dynamic models through three different approaches: the binomial tree model, the Black-Scholes-Merton option pricing model, and the simulation-based risk neutral pricing approach. We discuss a wide range of applications, including the use of derivatives in asset management, the valuation of corporate securities such as stocks and corporate bonds with embedded options, interest rate derivatives, credit derivatives, as well as crude oil derivatives. In addition to theoretical discussions, we also emphasize practical considerations of implementing strategies using derivatives as tools, especially when no-arbitrage conditions do not hold. In addition to prerequisites, STAT 613 may be taken concurrently.
Taught by: Krishna Ramaswamy
One-term course offered either term
Also Offered As: FNCE 206
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 719 International Financial Markets
This course covers topics on foreign exchange rates, international money markets, currency and interest rate derivatives (forwards, options, and swaps), international stock and bond portfolios, and cryptocurrencies. Students learn about the features of financial instruments and the motivations of market participants. The class focuses on risk management, investing, and arbitrage relations in these markets. In addition to prerequisites, FNCE 613 is recommended but not required.
Taught by: Urban Jermann
One-term course offered either term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit
FNCE 720 Investment Management
This course studies the concepts and evidence relevant to the management of investment portfolios. Topics include diversification, asset allocation, portfolio optimization, factor models, the relation between risk and return, trading, passive (e.g., index-fund) and active (e.g., hedge-fund, long-short) strategies, mutual funds, performance evaluation, long-horizon investing and simulation. The course deals very little with individual security valuation and discretionary investing (i.e., 'equity research' or 'stock picking').
Taught by: Professor Keim & Professor Stambaugh
One-term course offered either term
Prerequisite: FNCE 611 AND (STAT 613 OR STAT 621)
Activity: Lecture
1.0 Course Unit

FNCE 721 Real Estate Investment: Analysis and Financing
This course provides an introduction to real estate with a focus on investment and financing issues. Project evaluation, financing strategies, investment decision making and capital markets are covered. No prior knowledge of the industry is required, but students are expected to rapidly acquire a working knowledge of real estate markets. Classes are conducted in a standard lecture format with discussion required. The course contains cases that help students evaluate the impact of more complex financing and capital markets tools used in real estate. Lecture with discussion required.
Taught by: Ferreira, Handbury, Harari, Keys, Sinai, Wong
One-term course offered either term
Also Offered As: REAL 721
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 725 Fixed Income Securities
This course covers fixed income securities (including fixed income derivatives) and provides an introduction to the markets in which they are traded, as well as to the tools that are used to value these securities and to assess and manage their risk. Quantitative models play a key role in the valuation and risk management of these securities. In addition to course prerequisites, FNCE 613 is recommended but not required.
Taught by: Professor Cuoco
Course usually offered in fall term
Prerequisite: FNCE 611 AND (STAT 613 OR STAT 621)
Activity: Lecture
1.0 Course Unit

FNCE 726 Advanced Corporate Finance
The objective of this course is to study the major decision-making areas of managerial finance and some selected topics in financial theory. The course reviews the theory and empirical evidence related to the investment and financing policies of the firm and attempts to develop decision-making ability in these areas. This course serves as an extension of FNCE 611. Some areas of financial management not covered in FNCE 611 are covered in FNCE 726. These may include leasing, mergers and acquisitions, corporate reorganizations, financial planning, and working capital management, and some other selected topics. Other areas that are covered in FNCE 611 are covered more in depth and more rigorously in FNCE 726. These include investment decision making under uncertainty, cost of capital, capital structure, pricing of selected financial instruments and corporate liabilities, and dividend policy.
Taught by: Professor Gultekin
One-term course offered either term
Also Offered As: FNCE 203
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 728 Valuation
The focus of this course is on the valuation of companies. The course covers current conceptual and theoretical valuation frameworks and translates those frameworks into practical approaches for valuing companies. The relevant accounting topics and the appropriate finance theory are integrated to show how to implement the valuation frameworks discussed on a step-by-step basis. The course teaches how to develop the required information for valuing companies from financial statements and other information sources in a real-world setting. Topics covered in depth include discounted cash flow techniques and price multiples. In addition, the course covers other valuation techniques such as leveraged buyout analysis. In addition to prerequisites, ACCT 742 is recommended but not required.
Taught by: Professor Glode
One-term course offered either term
Prerequisite: FNCE 611 AND (ACCT 611 OR ACCT 613) AND (STAT 613 OR STAT 621)
Activity: Lecture
1.0 Course Unit

FNCE 730 Urban Fiscal Policy
This course will examine the provision of public services for firms and people through cities. Why cities exist, when fiscal policy fails, investments in infrastructure, realities of local governments such as inequality, crime, corruption, high cost of living, congestion, and unfunded pensions and debt, will be covered. We will pay special attention to recent topics, such as partnerships with the private sector, enterprise zones, the role of technology, environmental challenges, and real estate policies that promote housing affordability, such as rent control and inclusionary zoning.
Taught by: Fernando Ferreira
Course usually offered in fall term
Also Offered As: BEPP 773, REAL 730
Activity: Lecture
1.0 Course Unit
FNCE 731 International Corporate Finance
This course analyzes financial problems corporations face that result from operating in an international environment. Major topics covered are corporate strategy and the decision to invest abroad, international portfolio diversification, managing exchange risk, taxation issues, cost of capital and financial structure in the multinational firm, and sources of financing.
Taught by: Professor Karen Lewis
Also Offered As: FNCE 208, FNCE 231
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 732 International Banking
This course focuses on international financial institutions, especially the activities of global and systemically important banks. We will examine how current and historical events are reshaping the industry and highlight the basic analytics of managing a bank's exposure to liquidity, credit, market and reputational risk. Most classes will begin with discussion of a current event related to course topics. Team projects will give deeper exposure to analytic techniques related to the course. Throughout the semester, we will discuss public policy issues facing the international financial system. In addition to prerequisites, FNCE 613 may be taken concurrently.
Taught by: Professor Richard Herring
Course usually offered in spring term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 737 Data Science for Finance
This course will introduce students to data science for financial applications using the Python programming language and its ecosystem of packages (e.g., Dask, Matplotlib, Numpy, Numba, Pandas, SciPy, Scikit-Learn, StatsModels). To do so, students will investigate a variety of empirical questions from different areas within finance by way of data labs, or case studies that rely on data and analytics. Some of the areas that may be covered in the course, subject to time constraints, include: FinTech, investment management, corporate finance, corporate governance, venture capital, private equity. The course will highlight how big data and data analytics shape the way finance is practiced. Some programming and experience is helpful though knowledge of Python is not assumed.
One-term course offered either term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 738 Capital Markets
The objective of this course is to give you a broad understanding of the instruments traded in modern financial markets, the mechanisms that facilitate their trading and issuance, as well as, the motivations of issuers and investors across different asset classes. The course will balance functional and institutional perspectives by highlighting the problems capital markets participants are seeking to solve, as well as, the existing assets and markets which have arisen to accomplish these goals. We will consider design, issuance, and pricing of financial instruments, the arbitrage strategies which keep their prices in-line with one another, and the associated economic and financial stability issues. The course is taught in lecture format, and illustrates key concepts by drawing on a collection of case studies and visits from industry experts. In addition to prerequisites, FNCE 613 may be taken concurrently.
Taught by: Professor David Musto and Professor Michael Schwert
One-term course offered either term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 750 Venture Capital and the Finance of Innovation
This course covers the finance of technological innovation, with a focus on the valuation tools useful in the venture capital industry. These tools include the 'venture capital method,' comparables analysis, discounted cash flow analysis, contingent-claims analysis. The primary audience for this course is finance majors interested in careers in venture capital or in R&D-intensive companies in health care or information technology.
Taught by: Professor Taylor and Professor Catherine
Course usually offered in spring term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 751 The Finance of Buyouts and Acquisitions
The focus of this course is on buying (or acquiring controlling stakes in) firms. The main topics to be covered are mergers and friendly acquisitions, hostile takeovers and buyouts. Using case studies, the course surveys the drivers of success in the transactions. While issues regarding motive and strategy will be discussed, financial theory would be the main lens used to view these control acquiring transactions. This will allow students to (1) evaluate transactions through valuation approaches and (2) structure deals employing financial innovation as a response to legal framework and economic frictions. This course should be of interest to students interested in pursuing careers as private equity investors, advisors in investment banking and corporate managers that deal with these issues. This course assumes familiarity with valuation analysis. During the spring semester students are not permitted to take this course pass fail. In addition to prerequisites, FNCE 726 or 728 are recommended but not required.
Taught by: Professor Yilmaz
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit
FNCE 754 Impact Investing
This course explores Impact Investing, a discipline that seeks to generate social benefits as well as financial returns. From tiny beginnings, the Impact Investment space has expanded and now commands significant attention from policymakers, wealthy and public-spirited individuals, academia and, not least, the world's largest asset managers and philanthropic foundations. Evangelists believe it may be the key to freeing the world from poverty. Skeptics think it will remain confined to the boutique. Regardless, Impact Investing is becoming a distinct career specialization for finance professionals despite the diverse skillset each must have and the uncertainty of the new field's growth. In addition to prerequisites, FNCE 720 is recommended but not required.
Taught by: Professor Erik Giljie
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 756 Energy Finance
The objective of this course is to provide students with detailed knowledge of corporate structures, valuation methods, project finance, risk management practices, corporate governance issues, and geopolitical risks in the energy industry. In general, this course seeks to provide students with an overall context for understanding energy issues and risks, and how these might affect financing and investment decisions for both providers of energy and end-users of energy. In addition to prerequisites, FNCE 726 and FNCE 728 are recommended but not required.
Taught by: Professor Erik Giljie
One-term course offered either term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 757 Foundations of Asset Pricing
This course will cover methods and topics that form the foundations of modern asset pricing. These include: investment decisions under uncertainty, mean-variance theory, capital market equilibrium, arbitrage pricing theory, state prices, dynamic programming, and risk-neutral valuation as applied to option prices and fixed-income securities. Upon completion of this course, students should acquire a clear understanding of the major principles concerning individuals' portfolio decisions under uncertainty and the valuations of financial securities. In addition to the following is recommended FNCE 205; BEPP 250; MATH 360; STAT 433
Taught by: Jessica Wachter
Course usually offered in spring term
Also Offered As: FNCE 257
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 783 Strategic Equity Finance
This half-semester course combines lectures and cases, and will go through actual situation where companies need to make strategic decisions on raising equity capital. We will address different phases of a company's life cycle. Through these cases, from the decision-makers perspective, we will explore the different paths that can be taken and consider issues such as investor activism, governance and regulatory and valuation impact.
Taught by: Professor David Musto and Professor David Erickson
Course usually offered in spring term
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 785 Business Strategy & Corp
This course explores strategic, business and legal decision making in a fluid real world corporate context. Classes will cover a series of timely financial and legal subjects as well as case studies that deal with topical problems in corporate governance, investment strategy, finance, private equity, executive compensation, and potential corporate and criminal behavior. Press, public market reaction, and governmental/political considerations will be integrated into the discussion. All students will be required to participate in one major and two minor team projects. An equal number of graduate law and business students will be enrolled in this class. The instructor, a 30 year veteran and partner at a major private equity firm, is also an attorney and CPA. No prerequisites.
Taught by: Perry Golkin
Also Offered As: LAW 542, LGST 785
Activity: Lecture
1.0 Course Unit

FNCE 791 Corporate Restructuring
This course will explore the highly active and sophisticated deal making environment that is the hallmark of modern distress corporate restructuring. The course is primarily comprised of two key components. The first is groundwork-laying lectures by three of the top practitioners in the restructuring field. In particular, the lectures will focus on fundamental rights and obligations of debtors, creditors, and other parties in interest in the various types of major chapter 11 cases, providing critical insight into understanding the motivations, strategies, and available tools for chapter 11 participants (which also serve as the foundation for out-of-court deals). The course also will provide a valuation framework for distressed assets. The second element of the course is a series of case study panels. The professors survey the market trends from the previous year bring together key participants from recent deals, including the CEO or chairman of the company, the judge, the lead banker and lead lawyer, and the lead investors to give their insight and perspectives to the class. These panels will provide students real-world insights into the most current issues in the field. By Video application only. send a short 30 second to 1 minute video why you want to take this course. The video must go to Kyle.Ferrier@Kirkland.com by 8-1-19
Also Offered As: FNCE 291, LAW 908
Activity: Lecture
1.0 Course Unit
FNCE 801 ASP - Advanced Topics in Private Equity
(Formerly FNCE 884) This course will address a variety of applied topics in private equity (PE), with a focus on growth and later-stage buyout transactions (venture capital is not explicitly addressed in this course), and a primarily U.S.-centric view that should be largely applicable in other markets. In addition, the course will focus on the transaction stage of PE investing i.e., the art of the deal and mostly leave aside deal sourcing, portfolio management and investor relations. The goal of this course is to educate students about the substance, process and mechanics of PE investing, through the lens of the investment professionals, counterparties and advisors that drive transactions to completion. Course topics will address the entire deal process, and will include the following: Commercial Diligence (incl. financial modeling); Debt Financing; Accounting Diligence; Sales & Purchase Agreements; Comps Analysis; and Other Advisory Work. Throughout the course, students will learn about each element of the deal process through in-class lectures, while concurrently apply those learnings to a real-time mock deal, and preparing deal materials that mirror a real private equity transaction. The in-class lectures will cover both conceptual frameworks and real-world examples.
Taught by: Professor Bilge Yilmaz (yilmaz@wharton.upenn.edu) and Fellow David Bard
Prerequisite: FNCE 611 AND (FNCE 726 OR FNCE 751)
Activity: Lecture
1.0 Course Unit

FNCE 803 Behavioral Finance
(Formerly FNCE 739) There is an abundance of evidence suggesting that the standard economic paradigm - rational agents in an efficient market - does not adequately describe behavior in financial markets. In this course, we will survey the evidence and use psychology to guide alternative theories of financial markets. Along the way, we will address the standard argument that smart, profit-seeing agents can correct any distortions caused by irrational investors. Further, we will examine more closely the preferences and trading decisions of individual investors. We will argue that their systematic biases can aggregate into observed market inefficiencies. The second half of the course extends the analysis to corporate decision making. We then explore the evidence for the corporate 'disease' of fiscal mismanagement is an interdisciplinary endeavor drawing on finance, economics, political science, and the law. Students with backgrounds in any of these disciplines are welcome.
Taught by: TBA
Course usually offered in spring term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 811 ASP - Infrastructure Investing
The world economy runs on the infrastructure which has been built over the past 10,000 years. Each year, this infrastructure requires updating and new additions, from roads and bridges (the original infrastructure), to railroads, airports (the more recent infrastructure), to telecommunications and solar and wind power installations (modern infrastructure). There is a vast amount of public (i.e., taxpayer money directed by government officials) and private (i.e., individuals' money typically managed on their behalf and directed by private equity or banks into infrastructure investments). In this course, we will cover Infrastructure Financing and investing from various angles. We will provide descriptions of types of infrastructure, examine the financing needs of infrastructure projects, consider the historic role of government and non-government funding, and assess the changing needs of consumers and role of technology and the increasing demands posed by a globalizing economy. As private equity firms continue to build infrastructure funds, the need for, and role for, private money continues to evolve, so we will also examine infrastructure investing as an alternative asset class from the investors’ perspective. FNCE 728 is recommended but not required.
Taught by: Professor Kevin Kaiser
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 812 The Finance, Economics and Law of Fiscal Crises
The focus will be on the causes of fiscal crises, a careful detailing of who wins and who loses, and then on how such crises might be resolved and, perhaps most importantly, how they might be prevented in the future. The course will draw upon the fiscal experiences of US local governments (New York, Philadelphia, Detroit, Orange County, Puerto Rico), utilities (WPPSS) and states (Illinois), and the international experience from such countries as Greece, Brazil, and Argentina. The costs of such crises for citizens, pensioners, and bond holders can be significant. We seek to understand the underlying economic, political, and legal/regulatory causes of such events so that they may be prevented in the future. The importance of private information and public regulation for disciplining the fiscal performance of democratically elected governments will be a central concern. We believe strongly that diagnosing and treating the ‘disease’ of fiscal mismanagement is an interdisciplinary endeavor drawing on finance, economics, political science, and the law. Students with backgrounds in any of these disciplines are welcome.
Taught by: Robert Inman & David Skeel
Also Offered As: LAW 609
Activity: Lecture
1.0 Course Unit
FNCE 841 ASP - Distressed Investing and Value Creation
This course familiarizes students with financial, strategic and legal issues associated with the restructuring of financially distressed firms and investment in distressed securities. The objective is to give students the concepts and tools necessary to assess the often-complex situation facing a firm facing financial distress. The participants will gain a basic understanding of the various options available for distressed firms, such as out-of-court workouts, exchange offers, prepackaged and pre-negotiated bankruptcies, distressed asset sales, 363 auctions, and Chapter 11 reorganization. We will explore the difference between economic and financial distress, and the implications for the restructuring process. Finally, we will consider distressed debt as an asset class and develop techniques for investing in distressed securities. We will approach the investment opportunities using the concepts of value investing, in which we sharply distinguish the value of an asset from its price (as Warren Buffet explains, 'Price is what you pay, value is what you get') Students will sharpen their conceptual knowledge of finance and valuation in order to properly estimate the value of a distressed firm, and then supplement that with the complexities of valuing specific securities with the capital structure.
Taught by: Professor Kevin Kaiser
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 883 Strategic Equity Finance
Strategic Equity Finance has a new course number effective 19A This course is listed as FNCE783 going forward
Taught by: Professor David Musto and Professor David Erickson
Course usually offered in spring term
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 885 Fin-Tech
The course exposes students to this fast-growing and exciting intersection between finance (Fin) and technology (Tech) while emphasizing the role data and analytics play. The course is structured around three main FinTech areas: (i) Lending/Banking services, (ii) Clearing (iii) Trading. It provides specific coverage and examples of developments from (1) market-place lending, (2) blockchain and distributed ledgers, (3) quantitative trading and its use of non-standard inputs. In each of these areas, we start by analyzing the marketplace, the incumbents, and then proceed to analyze the impact of the most relevant technologies have on the business. The course is built around data/code examples, cases, guest lectures, and group projects. Student are thus expected to work in teams and demonstrate a high level of independent learning and initiative.
Taught by: Professor Kogan
Also Offered As: FNCE 385
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 886 ASP - Hedge Funds
This course will cover critical aspects and characteristics of hedge funds and the hedge fund industry. It will look at the legal foundations and structures of hedge funds including the primary regulations in the U.S. and abroad that are most relevant for hedge funds. It will also present the major hedge fund strategies, describe operation, control, administration, due diligence and valuation issues. Performance evaluation and investing in hedge funds from the investor’s perspective will be discussed as will issues of potential changes in regulation, risk management, and the use of leverage. The format of the course will mix lectures with presentations from industry participants, hedge fund managers, those who invest in hedge funds, those who advise them and provide services to them, and those who regulate them. Those who want to launch a hedge fund, join an existing one, invest in one, or provide services to one will want to register for this course.
Taught by: Professor Scott Richard
Prerequisite: FNCE 611
Activity: Lecture
0.5 Course Units

FNCE 887 ASP - Shareholder Activism
The aim of the course is to provide an introduction to shareholder activism. The course makes use of lectures and case studies. The lectures expose the students to the institutional and empirical facts as well as approaches followed by leading shareholder activists. The case studies are designed to provide students an experience on identifying potential opportunity for value creation through active engagement. Assignments require students to develop/practice skills on fundamental analysis.
Taught by: Professor Bilge Yilmaz and Kevin Kaiser
One-term course offered either term
Prerequisite: FNCE 611
Activity: Lecture
1.0 Course Unit

FNCE 888 Adv PE-Fundraising, Sourcing and Value Creation.
This course is for second year MBA students. Please Note: Students cannot receive credit for both FNCE 884 and FNCE 888….This course will address a variety of topics in private equity (PE) leveraging a highly practical and real-world approach. It will focus on growth and later-stage buyout transactions (venture capital is not explicitly addressed in this course), and a primarily U.S.-centric view that should be largely applicable in other markets. The course will focus on several key areas outside the private equity transaction: fundraising, sourcing investment opportunities, and creating value under PE ownership. The goal of this course is to educate students about these aspects of PE investing through the lens of the investment professionals, consultants, counterparties and advisors that live them each day. Students will be expected to actively engage in classroom discussions, challenging one another and the lecturers about how to think through these issues in an ever-evolving investment world. In addition, throughout the course, students will be expected participate actively with their teams as they proceed with at home assignments.
Taught by: Professor Bilge Yilmaz
Prerequisite: FNCE 751
Activity: Lecture
1.0 Course Unit
FNCE 893 ASP - Central Banks, Macroeconomic Policy and Financial Markets
This course aims to provide the future global manager and financial analyst with the knowledge on policies set by central banks, regulators and governments to reach the goals of price and financial stability as well as support of growth and employment. The core of the course connects between the formal and actual goals that central banks follow and the related economic analysis on which the goals and the policies are set. We will explain the economic rationale for the policy prescriptions to reach the goals and how these are implemented using institutional framework in the US, the European Central Bank (ECB), Israel and remarks on other countries. We use data, current events and events of the 2007-2018 financial crisis as a basis for discussion and assignments. All these are aimed at understanding how and why the Federal Reserve of the US (the Fed), The Bank of Israel (BOI) and the European Central Bank (ECB) set their policies and how that is related to academic research on these issues.
Taught by: Zvi Eckstein and Joao Gomes
One-term course offered either term
Also Offered As: FNCE 393
Prerequisite: FNCE 613 AND STAT 613
Activity: Lecture
1.0 Course Unit

FNCE 895 Advanced Seminar in Private Equity
This course will be a survey of the private equity asset class. Its objective is to provide an understanding of the concepts, agents, and institutions involved in the late stage corporate private equity market in the US and around the globe. It will examine the buyout market and the activities of buyout funds from the differing perspectives of private equity investors, private equity fund sponsors, and managers of the portfolio companies. The course will be taught almost entirely with cases. Distinguished Wharton alumni in the private equity industry will be our guest speakers for many of the cases based on transactions they concluded. While this course is primarily intended for graduate students, admission may be granted to a limited number of interested undergraduate students.
PLEASE NOTE: this course may be recorded for live or subsequent distribution, display, broadcast, or commercialization in any media, including video, audio, or electronic media. For additional information, see the course syllabus or contact the department. This is a Pass/Fail course and will not count towards your concentration.
Also Offered As: FNCE 395
Prerequisite: FNCE 726 OR FNCE 751
Activity: Lecture
0.5 Course Units

FNCE 896 Global Modular Course
Open to MBA, Executive MBA and Undergraduate students, these modular courses are intended to provide unique educational experiences to students in a regional context that has particular resonance with the topic. Taught around the globe, the modular courses help us enrich the curriculum and research on our own campuses in Philadelphia and San Francisco.
Taught by: Bulent Gultekin and Bilge Yilmaz
Course not offered every year
Also Offered As: WH 215
Activity: Lecture
0.5 Course Units

FNCE 897 Finance In The Middle East & North Africa
This is a Wharton Global Modular Course on finance in the Middle East and North Africa. Its objective is to bring students, academics and industry experts together to study financial markets, practice, and institutions in this region.
Taught by: Professor Bulent Gultekin, Finance Department and Professor Michael J.T. McMillen, Penn Law School
Also Offered As: WH 214
Activity: Lecture
0.5 Course Units

FNCE 899 Independent Study Project in Finance
Independent Study Projects require extensive independent work and a considerable amount of writing. ISP in Finance are intended to give students the opportunity to study a particular topic in Finance in greater depth than is covered in the curriculum. The application for ISP's should outline a plan of study that requires at least as much work as a typical course in the Finance Department that meets twice a week. Applications for FNCE 899 ISP's will not be accepted after the THIRD WEEK OF THE SEMESTER. ISP's must be supervised by a Standing Faculty member of the Finance Department.
Taught by: Varies by Project
Prerequisite: FNCE 611 AND FNCE 613
Activity: Independent Study
1.0 Course Unit

FNCE 911 Financial Economics
The objective of this course is to undertake a rigorous study of the theoretical foundations of modern financial economics. The course will cover the central themes of modern finance including individual investment decisions under uncertainty, stochastic dominance, mean variance theory, capital market equilibrium and asset valuation, arbitrage pricing theory, option pricing, and incomplete markets, and the potential application of these themes. Upon completion of this course, students should acquire a clear understanding of the major theoretical results concerning individuals' consumption and portfolio decisions under uncertainty and their implications for the valuation of securities.
Course usually offered in fall term
Prerequisite: ECON 681 OR ECON 701
Activity: Lecture
1.0 Course Unit

FNCE 912 Corporate Finance and Financial Institutions
This course provides students with an overview of the basic contributions in the modern theory of corporate finance and financial institutions. The course is methodology oriented in that students are required to master necessary technical tools for each topic. The topics covered may include capital structure, distribution policy, financial intermediation, incomplete financial contracting, initial and seasoned public offerings, market for corporate control, product market corporate finance interactions, corporate reorganization and bankruptcy, financing in imperfect markets, security design under adverse selection and moral hazard, and some selected topics.
Course usually offered in spring term
Prerequisite: ECON 681 OR ECON 701
Activity: Lecture
1.0 Course Unit
FNCE 921 Introduction to Empirical Methods in Finance
This course is an introduction to empirical methods commonly employed in finance. It provides the background for FNCE 934, Empirical Research in Finance. The course is organized around empirical papers with an emphasis on econometric methods. A heavy reliance will be placed on analysis of financial data.
Course usually offered in spring term
Prerequisite: FNCE 911 AND STAT 510 AND STAT 511
Activity: Lecture
1.0 Course Unit

FNCE 922 Continuous-Time Financial Economics
This course covers some advanced material on the theory of financial markets developed over the last two decades. The emphasis is on dynamic asset pricing and consumption choices in a continuous time setting. The articles discussed include many classical papers in the field as well as some of the most recent developments. The lectures will emphasize the concepts and technical tools needed to understand the articles.
Course usually offered in fall term
Prerequisite: FNCE 911 AND ECON 701 AND ECON 703
Activity: Lecture
1.0 Course Unit

FNCE 923 Financial Economics Under Imperfect Information
This course covers General equilibrium and rational expectations, foundations of the theory of information; learning from prices in rational expectations equilibrium models, moral hazard, adverse selection, and signalling Bidding theories.
Course not offered every year
Prerequisite: FNCE 922
Activity: Lecture
1.0 Course Unit

FNCE 924 Intertemporal Macroeconomics and Finance
This is a doctoral level course on macroeconomics, with special emphasis on intertemporal choice under uncertainty and topics related to finance. Topics include: optimal consumption and saving, the stochastic growth model, q-theory of investment, (incomplete) risk sharing and asset pricing. The course will cover and apply techniques, including dynamic programming, to solve dynamic optimization problems under uncertainty. Numerical solution methods are also discussed.
Course usually offered in spring term
Activity: Lecture
1.0 Course Unit

FNCE 925 Topics In Asset Pricing
This course exposes student to recent development in the asset pricing literature. The starting point for the course is the standard neo-classical rational expectations framework. We will then investigate where this framework has succeeded and where it has not. Recently documented deviations from the framework in the literature are discussed and placed in context. The course will also focus on hypothesis development, recent research methods, and research writing. The ultimate objective is for students to develop their own hypotheses and research ideas, resulting in a paper.
Course not offered every year
Prerequisite: ECON 681 OR ECON 701
Activity: Lecture
1.0 Course Unit

FNCE 926 Empirical Methods in Corporate Finance
The course will cover a variety of microeconometric models and methods including panel data models, program evaluation methods?e.g. difference in differences, matching techniques, regression discontinuity design? instrumental variables, duration models, structural estimation? e.g. simulated methods of moments?. The structure of the course consists of lectures, student presentations, and empirical exercises. I will utilize published studies in a variety of fields such as corporate finance, labor economics, and industrial organization to illustrate the various techniques. The goal of the course is to provide students with a working knowledge of various econometric techniques that they can apply in their own research. As such, the emphasis of the course is on applications, not theory. Students are required to have taken a graduate sequence in Econometrics, you should be comfortable with econometrics at the level of William Green's 'Econometric Analysis of Cross-Section and Panel Data'.
Course usually offered in fall term
Prerequisite: STAT 521
Activity: Lecture
1.0 Course Unit

FNCE 932 Topics In Corporate Finance
This course covers Advanced theory and empirical investigations; financial decisions of the firm, dividends, capital structure, mergers, and takeovers.
Course not offered every year
Prerequisite: FNCE 922
Activity: Lecture
1.0 Course Unit

FNCE 933 International Finance
To provide an understanding of selected topics of current academic research in the areas of international finance and its intersection with international macroeconomics; to teach interested students the tools for conducting research in this field. Each topic will be developed beginning with early classic papers and then updated through the current status of the profession. The typical target audience comprises students in their second year or later. Prerequisite: Completion of first year course requirements
Taught by: Karen Lewis
Course usually offered in fall term
Activity: Lecture
1.0 Course Unit
FNCE 934 Empirical Methods In Asset Pricing
This course has three main objectives: The first object is to introduce students to the fundamental works and the frontier of research in dynamic asset pricing. We will cover recent models that have been proposed to shed light on intriguing and important empirical patterns in the cross section and in the time series. Topics include non-separable utilities, market incompleteness, learning, uncertainty, differences of opinions, ex-ante and ex-post asymmetric information, ambiguity and Knightian uncertainty. The second objective is to teach students how to think of asset pricing research under a bigger or richer framework. We shall focus on the interactions between asset pricing and other fields such as macroeconomics, corporate finance, financial institutions, and international finance. The goal of investigating the joint dynamics is not only to better understand how asset prices are determined, but also (maybe more importantly) how would asset pricing dynamics affect other important economic variables such as investment, corporate payout and financing, unemployment, risk sharing, and international capital flows. Students will learn production-based asset pricing models, particularly the asset pricing models with investment-specific technology shocks, risk shocks, financial friction, searching frictions and information frictions. Of course, the advanced solution methods will focus too. The third objective is to introduce advanced empirical methods to analyze the data and the quantitative dynamic models. It includes how to estimate structural dynamic models, how evaluate structural models beyond goodness-of-fit tests, how confront the models predictions with empirical data by simulation and re-sampling techniques, and how to efficiently test models and explore new patterns using asset pricing and macro data.
Course usually offered in fall term
Prerequisite: FNCE 911 AND FNCE 921
Activity: Lecture
1.0 Course Unit

FNCE 937 Topics in Macro Finance
This is an advanced course in quantitative theory applied to macro and finance models. It is intended for doctoral students in finance, economics and related fields. The course focuses on four broad theoretical literatures: (i) firm investment and growth; (ii) corporate, household and sovereign debt; (iii) asset pricing in general equilibrium; and (iv) equilibrium macro models with a financial sector. My approach is to develop and discuss in detail a unified framework that is suited to address most topics, usually covering a few central topics and the core papers. We then discuss the more recent literature, highlighting how authors combine and expand upon the core ideas. This part of the course usually relies on regular student presentations.
Course usually offered in fall term
Activity: Lecture
1.0 Course Unit

FNCE 950 Research Seminar in Finance
This course may be offered (and taken by a student) several times a year with varying topics.
One-term course offered either term
Activity: Seminar
1.0 Course Unit