Planning Your Route to a Finance Concentration in the Haskayne BComm Programme

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These slides are available on the Finance Area website:
http://haskayne.ucalgary.ca/programs/bcomm/concentrations/fnce

Should I take FNCE 451 Early or Late?

- Finance 451 is required of all Finance Majors (Concentrators) in the Haskayne School.
- It intentionally overlaps the content of several other Finance courses and also provides detail on corporate finance that isn’t in the other courses.
- As a result of this synergy, students often ask whether they should take FNCE 451 first or last in their program of electives.
- The answer is, as M-M would say: It doesn’t matter.
  - If you take 451 early, you tend to get a lower grade in it and higher grades in the other electives.
  - If you take 451 late, you tend to get a higher grade in it, at the expense of some potentially lower grades in the other electives.

The Premium Finance Courses

- There are two Finance electives with restricted enrollment, so they are naturally premium courses.
  - They are more challenging.
  - It is harder to get into them.
- Employers take enrollment in these courses as very positive signals, and often preferentially interview students from these programs.
- We work with the Career Centre to prepare résumé books for these classes, which we pass on to employers to highlight these students.
- Sadly, many students in the past have only learned about these programs too late to apply, so they don’t get into them even if they had a good chance of being selected.
- Another problem is that students take FNCE 317 too late, which delays their entry into electives, restricts their choices and presents a thin résumé for employers in the summer of the third year.

Calgary Portfolio Management Trust CPMT

- FNCE 470: a full-year course
- Restricted enrollment, approximately 8 students per year
- Students manage a portfolio of University endowment funds on behalf of the School.
- Applications are in the Fall of 3rd year, because the 3rd year is as a Research Associate with no course credit.
- Successful students progress to Fund Manager and take FNCE 470 in their 4th year.
- http://people.ucalgary.ca/~cpmt/

CPMT (Cont’d)

- Advanced equity and debt valuation models
- Portfolio management techniques and performance measurement issues
- Preparation for writing the CFA Level I examination
- Hands-on experience managing an equity portfolio
- Extensive mentoring from alumni and downtown investment professionals

Trading and Market Data Management

- MGST 559, to be renamed FNCE 479
- Block Week in September and in January
- Class of 18 in the N Murray Edwards Finance and Trading Lab
- Applications in Fall and late Spring
- Selection criteria: strength in Econ, Math, Statistics, Computing and Finance
- Best to take it early in your career, since it helps with other course work and in getting summer jobs.
- Learn to use Bloomberg, Reuters Eikon software.
- Use RIT trading simulation software.
The Financial Management Group

- Student club, known as the FMG.
- There are no restrictions on enrollment, but it helps students to meet other Finance majors and enhance their training.
- [http://www.ucalgary.ca/fmg/](http://www.ucalgary.ca/fmg/)
- Finance 317 practice midterm & final
- Tutoring and mentoring with senior members of the club who have been in your position
- Prestigious alumni base with careers in investment banking, business development and trading
- Networking opportunities with speakers at our Careers in Finance night and CFA Speaker night
- A chance to contribute to the success of your fellow finance students!

U of Calgary Trading Competition

- Sponsored by BP Canada, which runs an energy trading floor in Calgary, with great jobs
- Uses Rotman Interactive Trader Software to simulate trading environments
- [http://rit.rotman.utoronto.ca](http://rit.rotman.utoronto.ca)
- Stocks, futures, options and physical commodities
- November competition
- Enrollment open to all U of Calgary students
- Competition is used in the selection process for the RITC team.

Rotman International Trading Competition

- RITC competition in the Winter Reading Week
- Haskayne sends a team of 4-6 students.
- Uses Rotman Interactive Trader (RIT) software
- Team selection starts with the U of Calgary trading competition.
- [http://ritc.rotman.utoronto.ca](http://ritc.rotman.utoronto.ca)

Global Investment Research Challenge

- Organized by the CFA Institute
- Haskayne picks a team in Fall
- [http://www.cfainstitute.org/cfaprogram/challenge/Pages/index.aspx](http://www.cfainstitute.org/cfaprogram/challenge/Pages/index.aspx)

Finance Programs Outside the University of Calgary

- Our Finance majors often get training and certification for programs outside of the Haskayne School.
- Since the University of Calgary has no control over the quality and content of these programs, we don't endorse them.
- However, we work in partnership with some of them as noted below.
- In addition, we note that involvement in programs like these often augments our students' abilities.

Chartered Financial Analyst

- The Calgary CFA Society partners with the Haskayne School in the Calgary Portfolio Management Trust.
- The CFA certification program involves a progression of 3 examinations.
- Some Haskayne professors offer tutorials preparing for the CFA Exam.
- [http://www.cfasociety.org/calgary/Pages/default.aspx](http://www.cfasociety.org/calgary/Pages/default.aspx)
- [https://www.cfainstitute.org/pages/index.aspx](https://www.cfainstitute.org/pages/index.aspx)
**Bloomberg Aptitude Test**

- Administered by Bloomberg in our Labs
- Employers can search for students with specific skill sets by geographic region or university.
- BAT gives them lists of top-scoring students from their test.
- [https://www.bloomberginstitute.com/bat/start/](https://www.bloomberginstitute.com/bat/start/)

**Bloomberg Essentials (BESS)**

- Bloomberg Essentials is a certification program based on the Bloomberg software in the Finance and Trading Lab.
- The program provides some online Bloomberg training and an online test, leading to a score and certificate, if successful.
- In the Finance and Trading Lab, log into a Bloomberg Terminal
- Type On a Bloomberg Terminal type BU <GO> to get to Bloomberg University. Select item 12) to View training videos.

**Thomson Reuters Certification**

- Based on the Eikon software in the Trading Lab
- Instruction and examination are online.
- It helps to be in the Lab during the exam.

**Finance Courses in Haskayne**

- The next slides provide a brief description of the Haskayne Finance courses that haven’t been discussed above in our premium programs.
- Some of the course instructors are here and I’ll ask them to stand when I discuss the course, so you can go to discuss the course in more detail with them after this talk.
- Not all courses are offered every year.

**FNCE 451 Advanced Financial Mgmt**

- Topics
  - Risk & Return and Capital Budgeting Decisions
  - Capital Structure (Debt versus Equity)
  - Dividend Policy
  - Managerial Incentives and Informational Issues
  - Raising Financing and Investment Banking
  - Options and Derivatives
- Careers
  - Corporate and Wealth Management
  - Investment Banking
  - Consulting

**FNCE 443 Security Analysis & Investments**

- An overview of Investments
- A bit of everything
- Stock and bond valuation, portfolio theory, risk mgmt. through options, futures, and immunization
- Projects
  - Economic and Industry Analysis
  - Stock Valuation
FNCE 463 Portfolio Theory & Mgmt

• Think like a portfolio manager!
• Setting objectives, portfolio construction, management, protection, and evaluation
• Projects
  • Analysis of 5 types of mutual fund
  • Simulation: Constructing and managing a $1 million portfolio with real market data

FNCE 445 Futures and Options

• Operation of Derivative Markets
• Valuation of Derivative Securities (Forwards, Futures, Options, Interest Rate Derivatives)
• No-Arbitrage Principle
• Trading (Hedging) Strategies
• Risk Management
• Financial Engineering/Security Design

FNCE 447 Capital Budgeting

• Valuation and Capital Budgeting
• Taxes and valuation
• Risk-return models
• Risk-adjusted discount rates
• Certainty-equivalent and risk-neutral valuation
• Real options

FNCE 465 Mergers and Acquisitions

• Company Valuation
• Building Merger Models
• Theory and Empirical Evidence of M&A
• Merger Integration
• Corporate governance and M&A

FNCE 467 Financial Risk Management

• Framework for evaluating financial risks
• Managing risk with financial derivatives.
  • Valuable hedging tools
  • Can be dangerous trading instruments
  • Discuss financial disasters resulting from poor risk management techniques, or the abuse of derivative strategies.
  • Value-at-Risk, which measures how much money can be lost from a financial strategy
  • Can be a poor indicator of risk when liquidity in markets dries up
• Test the models with financial data rather than just `trust’ them.
• Wall Street models, such as Morgan Stanley’s Risk Metrics

FNCE 473 New Venture Finance

• Theoretical issues associated with developing firms and their financing needs/strategies
• Consideration of governance matters
• Early-stage firm valuation techniques
• Discussion of alternative sources of development financing and the advantages and disadvantages of each source