MEMORANDUM

To: Graduate Council Members

From: John C. Keller, Dean

Date: September 9, 2016

The Graduate Council will meet Thursday, September 15, beginning at 8:15 a.m. in the Callen Conference Room, 5 Gilmore Hall (lower level).

AGENDA

1) Approval of the minutes of the September 1, 2016 meeting – see attached (Keller, 5 minutes)

2) Announcements (Keller, Bernabo, 15 minutes)

3) Presentation of new program proposal for a Master of Science (MS) in Finance, Tippie College of Business – see attachment (Keller, 15 minutes)

4) Graduate Education Task Force and Graduate College Self-Study Reviews (Keller, 30 min)

Meeting Dates
October 6
October 20
November 3
November 17
December 1
December 15 (if needed)
Graduate Council  
September 15, 2016

Present: Professors Ankenmann, Banas, Creekmur, Fethke, Figdor, Ganim, Kristof-Brown, Quelle, Varga, Wurster, Xiao; Graduate Students Bagby, Black, Bernabo, Morabe; Deans Keller, Larsen; Faculty Fellow Campo; Staff Arbisi-Kelm, Crooks, Teitle

Absent: Professors Blumberg, Creekmur, and Figdor;

1. The minutes of the September 1st meeting were unanimously approved.

2. Announcements and updates:
   - The Graduate Student Senate held its first formal meeting of the year on September 6.
   - The Taylor & Francis Publishing Panel will be held on September 28, 2016 from 2-3:30 PM in UCC 1117. The panel will focus on preparing manuscripts for publication & understanding various aspects of publishing. Participants may register here.
   - The Obermann Graduate Institute is accepting applications through 10/11.
   - The 3MT competition has a registration deadline of 10/1. For the first time the competition will be open to both doctoral and masters. More information may be found here.

3. Dean Keller presented a request for a new program, Master of Science (MS) in Finance, from the Tippie College of Business (TCOB). Senior Associate Dean Kurt Anstreicher and Professor Jarjis Su-Aadu, both of TCOB, were on hand to discuss the proposal. The financial industry continues to demand greater and greater in depth training of financial analysts even for entry level positions To meet this growing demand, the TCOB has developed MS in Finance (MSF). The program offers a strong emphasis on quantitative theory and methods in finance combined with an experiential learning that connects students with industry. This blended learning paradigm will provide students with rigorous understanding of the new complex financial instruments and opportunities for much needed active and applied learning so they can compete in financial markets. The degree will be offered with or without thesis. Targeted students will be undergraduates with strong quantitative skills wishing to pursue an upper-level position in the finance sector. A motion was made and passed unanimously to approve the request.

4. In preparation for the upcoming visit of the Graduate College Review Committee, Dean Keller presented a summation of the Graduate Education Task Force (GETF) and the Graduate College Self Study. The proposed AAU metrics for graduate education feeds the Graduate College self-study. With a role in graduate admissions, the Graduate College could encourage the use of an Individual Development Plan (IDP) and a comprehensive funding plan for each student, thus positively impacting time-to-degree and completion rates. The Graduate College self-study reflects the recent change in direction undertaken by the Graduate College. The change stems from the Graduate College’s work to better serve the needs of students. There are three points of focus; 1) an increased use of technology & data for decision-making, 2) a holistic view of student preparation from recruitment to placement, and 3) a strategic use of funding to provide the greatest impact for students.

The meeting was adjourned at 9:33 a.m.
Proposal for a Master of Science degree in Finance

Department of Finance
Henry B. Tippie College of Business
January 14, 2016

Sarah Gardial, Dean
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Proposal for a

Master of Science in Finance (MSF) Degree

Department of Finance

Henry B. Tippie College of Business

University of Iowa

Program College: Graduate College
Curricular College: Henry B. Tippie College of Business
Academic Unit: Business Administration (Finance Department)
Degree Objective: Master of Science in Finance, thesis and non-thesis
Subprogram: N/A

Available To: Degree seeking
Advisor: Erik Lie
Effective Session: Fall 2017
Declarable MyUI: No
CIP Code: 52.0801

MSF Program committee members: Art Durnev, Jay Sa-Aadu, Anand Vijn

January 2016
Executive Summary

The primary role of modern finance is to channel savings into investments. In recent decades, the quest to do this seemingly simple task has, however, spawned a web of complex financial instruments that has created a knowledge gap with devastating consequences on financial practice, of which the recent global financial crisis is a stark reminder. This challenge has caused the financial industry to demand more subject matter depth in the training of financial analysts even for entry level positions beyond that offered by a traditional MBA program. To meet this urgent demand the Finance Department at the University of Iowa, Tippie College of Business, seeks to establish a Master of Science in Finance (MSF) degree program. The proposed program is strategically designed to provide in-depth education in modern finance to resolve the knowledge gap problem and enhance financial practice. It would be a three semester, full time program that will admit students with quantitative background and give them the requisite skills demanded by industry. The distinctiveness of Tippie MSF program drives from its strong emphasis on quantitative theory and methods in finance combined with an experiential learning platform that connects with industry. This blended learning paradigm will provide students with rigorous understanding of the new complex financial instruments and opportunities for much needed active and applied learning so they can truly compete in financial markets.

The Tippie Finance department is uniquely positioned to develop a successful MSF program. First, the Tippie Finance department ranks among the leading finance groups in the world, in terms of both teaching and research. Second, it has faculty with great experience in theory and applied finance and has excellent reputation for training graduate students who go on to obtain challenging jobs in both academia and financial industry. Third, finance is one of the largest undergraduate majors at the University of Iowa and anecdotal evidence suggests that these students are seeking additional training in finance consistent with the increasing complexity of global finance. In this context, the educational opportunity offered by the proposed Tippie MSF program builds on the University’s primary mission – to educate students for success and personal fulfillment in a diverse world – as articulated in Renewing the Iowa Promise.

Finally, the proposed MSF program will enable the Finance Department to leverage the college’s resources and assets in place to more comprehensively contribute to the growth of the state’s economy. The department’s existing relation with the financial services sector uniquely situates the Tippie MSF to add value to the banking and insurance sectors of the state economy. As well, the proposed program will facilitate the export of financial services, especially to China, in light of Iowa’s growing economic relation with that country. Our financial projections suggest the proposed MSF program would be financially self-sustaining in that tuition revenue will eventually cover the additional expenditures required to operate the program. In collaboration with industry partners, we aim to Recruit, Educate, Advise and Place (REAP) students, and do so with ethics and social responsibility.
1.0 Vision and Purpose of the Program

In recent decades the finance discipline and global financial markets have experienced unprecedented wave of change and innovations that are dramatically reshaping the practice of finance. The attendant explosion of complex financial instruments, increasing volatility and integration of global financial markets suggest that many financial analysts are providing advice without the scientific knowledge needed to interpret and apply the plethora of complex financial instruments. Indeed, the recent global financial meltdown is a stark reminder of the adverse consequences stemming from the knowledge gap problem in finance practice. As the financial industry seeks to rebuild itself and strengthen risk management in the midst of this unprecedented change, it is looking to business schools to provide greater depth and technical competency in the training of modern financial analysts that matches the complexity and sophistication of the new financial instruments and technologies. Such training must provide rigorous understanding of financial theory, subject matter specialization and accountability in the application of the new complex financial instruments beyond that offered by a traditional MBA program, even for entry-level positions.

To meet this critical demand and challenge the Finance Department at the Henry B. Tippie College of Business seeks to establish a Master of Science in Finance (MSF) degree program. The Tippie MSF program is designed to train students in the quantitative theory and practice of finance and prepare them for functional roles and long term career success in the financial industry. The program places strong emphasis on quantitative theory and state of the art scientific methods in finance combined with an experiential learning platform that connects with industry to provide students with ample opportunities for much needed financial practice. The driving force behind this blended learning approach is that academia and the financial industry are complements, whose collaboration leads to a more vibrant and sustainable curriculum of learning to propel forward and provide solutions to extant and future challenges of industry and of society at large.

Moreover, quantitative financial analysts typically have limited knowledge of practical problems facing businesses while management with knowledge of the practical problems has limited time and expertise to focus on the analytics of finance. Our blended learning paradigm, buttressed by constructive engagement with industry, introduces students and facilitates interaction with the broader financial community and industry thought leaders at an early stage in their training. This strategy promotes active and effective learning through practice or experiential learning. Specifically, active engagement in the context of experiential learning allows students to become participants in the knowledge creation and dissemination process, as well as engage with complex material and business problems to gain technical competency and dexterity in the application of complex concepts. Further, our blended learning strategy would
mitigate the knowledge gap precipitated by the speed of innovation in global financial markets that led to extensive value destruction and sudden demise of many businesses. Overall, our blended program will create a learning environment that fosters collaboration and critical thinking, to ensure that upon graduation students have the skill set demanded by industry including working knowledge of the new financial technologies. The ultimate goal is to prepare students so they can immediately contribute in value-creation to the companies that hire them and do so with ethics and integrity.

The Tippie MSF program would be a three semester, full time program that admits a variety of students with quantitative background. We will target students who have recently completed their undergraduate degree, including our own large pool of students, other qualified students within the University of Iowa, the state of Iowa, the nation, as well as internationally. The confluence of our global reputation in finance and track record in transformative teaching creates a unique opportunity to offer this specialized graduate level program in finance that provides rigorous education in complex financial instruments and their applications.

2.0 The need for the Program

The financial sector is a critical part of the U.S. economy and how well it functions is a key determinant of the well being of the rest of the economy as amply demonstrated by the recent global financial crisis. The revolution in global financial markets in recent decades was accompanied by a torrent of financial instruments from basic derivatives to complex structured products such as securitization, collateralized debt obligation (CDOs) and credit default swaps (CDS) to new investment vehicles including private equity, hedge funds and exchange-traded funds (ETF) that are increasingly utilized both on Wall Street as well as Main Street America.

Intuitively, the speed of innovation and the increasing complexity of global financial system have created a serious knowledge gap in both theory and financial practice with disastrous consequences. As a result it is nearly impossible for financial analysts to effectively contribute to wealth creation in any segment of the financial sector without a rigorous understanding of the new financial technologies and their applications in financial practice. These developments dramatically underscore the need for a contemporary program at the graduate level to train students in specialized and technical finance. The Tippie MSF program responds to the shift in demand by providing rigorous training in specialized finance that would enhance the ability of the graduates to interpret and apply complex financial technology to create value for businesses and society at large.¹

¹Data from the Bureau of Labor Statistics show that in 2006 a total of 6.19 million people were employed in the financial services sector including insurance, or 5.45% of nonfarm payroll. This sector is proportionally an even larger part of Iowa’s economy than it is of the US economy. Recent figures compiled by the Iowa Economic Development Authority (IEDA) show that Iowa has 1.6% of the nation’s finance and insurance firms, and it generates 2.9% of the nation’s gross domestic product (GDP).
Moreover, apart from the substantial employment it provides, finance serves the economy (businesses, households, governments and other institutions) in three principal ways: (1) capital provision which allows investments and consumption beyond immediate cash at hand, (2) liquidity provision which protects against unexpected need for cash, and (3) risk management services, much of which is provided by core derivatives, which facilitate asset valuation and enhance wealth creation and accumulation in the economy. In all of these critical functions the intermediary role of a properly trained finance professional with up-to-date knowledge of the complex financial instruments that have become ubiquitous in financial transactions is indispensable.

2.1 Responding to the Knowledge Gap in finance through Experiential Learning

Rather than teach students theory and application separately and discreetly, the Tippie MSF integrates them into a cohesive learning program that promotes deeper learning. Most MS in finance programs teach students how to solve structured problems. The Tippie MSF program would take the extra step to equip students with critical, analytical and interpretative skills (including coaching) to enhance their ability to craft solutions to unstructured and evolving problems of industry as well as the structured ones. Our blended learning program offers a sequence of experiential learning projects to be followed by a capstone project in which students demonstrate the skills they have acquired in the program. In this environment students learn how finance concepts and theory can be applied to solve real world problems, exposing them to what works, what does not work and the necessary adjustments needed in the real world applications. Working in teams students learn from their success and failure, as well as discover their potential to deal with unexpected problems.

Further, the program’s emphasis on quantitative finance and finance practice in collaboration with the business community offers students an outstanding opportunity to work with leading companies and leading industry practitioners on authentic industry problems. This process enhances students’ problem solving skills and benefits our industry partners. Ultimately, the expectation is that students will be able to articulate the skills and other competences they have acquired in the program to employers. Students will want employers to know their specific skills at solving structured and unstructured (unexpected) problems. Bringing finance into action through rigorous practice and applications of relevant theory geared towards solutions of real world business problems is the fundamental principle underlying the Tippie MSF program’s approach to knowledge creation, education and dissemination. Ultimately, the aim of the program is to position the graduates for long term career success in this critical sector of the US economy and indeed the global economy.

3.0 Finance Department Qualification to offer the MSF Program
The Tippie Finance department is well positioned to develop a successful MSF program to meet the demand of industry and enhance finance practice. First, the Tippie Finance department ranks among the leading finance groups in the world. The most recent Financial Times ranking placed the Iowa Finance program at #1 worldwide (based on past MBA student satisfaction). Second, it has faculty with great experience in theory and applied finance and has excellent reputation for training graduate students who go on to obtain challenging jobs in both academia and financial industry. Third, through its blended learning vision the finance faculty in collaboration with industry partners has been at the forefront of innovation in business education in the Tippie College of Business at the undergraduate and MBA levels for several decades, as exemplified by our successful experiential learning platform. Fourth, finance is one of the largest undergraduate majors at the University of Iowa and the Tippie College of Business. By targeting students who recently completed their undergraduate degrees in various quantitative areas across the university and the nation, the program would allow the department to meet the growing demand from new and continuing students for specialized training in finance. Indeed, anecdotal evidence suggests students are seeking additional training in finance consistent with the increasing complexity of global finance.

Additionally, the proposed MSF program will permit the finance department to leverage the college’s resources and assets in place to more comprehensively contribute to the growth of the state’s economy. For example, the department’s existing relation with the financial services sector, in particular the insurance industry, a major contributor to Iowa’s GDP, uniquely situates the Tippie MSF program to add value to this all important economic base industry. Indeed our most recent initiative, specialized Certificate Program in Risk Management and Insurance, launched in 2005, is providing well trained labor pool for this important industry. This program has flourished beyond our expectations, training as many as 40 students each year for the local and national insurance industry. Judging from the success of our Certificate Program, we are confident the potential benefits to the state of Iowa from long-term employment of the graduates of the proposed MSF program would be much greater. We expect this program to supply a large pool of well-trained finance professionals that would create value for the financial services sector of the state’s economy including the insurance industry.

As well, our global reputation and ranking as one of the best finance department in the world allows us to attract international students. In fact the finance major at the undergraduate, MBA, and Ph.D. levels in the Tippie College of Business attracts an unusually large number of international students, especially from Asia. We intend to leverage this resource to augment our export of financial services to countries such as China with growing economic relationship with the state of Iowa. In collaboration with industry partners, we aim to Recruit, Educate, Advise and Place (REAP) students, and do so while remaining faithful to Tippie core principles of Integrity, Innovation and Impact.

3.1. List of finance faculty available for the proposed program
To achieve its objectives the Tippie Master of Science in finance draws upon the combined strength of existing expertise within the finance department as well as other departments within the college. A few courses would require faculty from departments other than the Finance Department, in particular, Accounting, Economics and Management Science. In addition, the Corporate Communications course may require external faculty from the School of Communication.

All of the finance courses will be taught by full-time experienced finance faculty with demonstrated teaching effectiveness. Each assigned faculty member will develop the specialty content of his or her course. Although in the long run we will need additional faculty to operate the program, we currently have the following finance faculty members who could be assigned to the program:

<table>
<thead>
<tr>
<th>Tenure Track</th>
<th>Non-tenure Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>• David Bates</td>
<td>• Heidi Dybevik</td>
</tr>
<tr>
<td>• Art Durnev</td>
<td>• Todd Houge</td>
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<tr>
<td>• Jon Garfinkel</td>
<td>• Jeff Hart</td>
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<tr>
<td>• Wei Li</td>
<td>• Todd Nelson</td>
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<td>• Erik Lie</td>
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<td>• Amrita Nain</td>
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<td>• Shagun Pant</td>
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<td>• Yiming Qian</td>
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<td>• Tom Rietz</td>
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<td>• Jay Sa-Aadu</td>
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<td>• Ashish Tiwari</td>
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<td>• Anand Vijh</td>
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<tr>
<td>• Tong Yao</td>
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4.0 Program relation to the mission of the University of Iowa and Henry B. Tippie College of Business

The Tippie MSF program will support the mission and strategic goals of the University of Iowa and the Tippie College of Business. Among other things, the University’s mission calls for mobilizing the scholarly assets in place to address major societal challenges of our time both nationally and globally. The Tippie College of Business contributes to the mission through engagement and collaboration with stakeholders to transform students and business professionals through rigorous innovative instruction. The proposed Tippie MSF program builds on this mission by creating a unique curriculum to rigorously educate students in complex financial technologies and their applications. We believe this strategy will augment the ability of students to provide solutions to real problems of today and tomorrow and effectively compete in the global marketplace. In this regard the proposed MSF program adds to Tippie College distinctiveness to support the mission through its blended learning program that emphasizes engagement with industry to create a transformational education opportunity for our students. The program would teach, and coach students to foster understanding of subject matter, critical thinking and creativity in the application of new financial technologies to help grow the economy of the state and the nation. The Tippie MSF program would enhance the University’s ability to realize its educational and societal missions – to educate students for success and personal fulfillment in a diverse world – as articulated in Renewing the Iowa Promise.

5.0 Description of the proposed program and comparison with other programs

Our forward looking curriculum of learning is designed with appropriate balance between theory and practice. Relevant theory provides students with a framework they can use to analyze and solve known business problems as well as challenges they will surely encounter in a dynamic and ever changing global environment that calls for thorough understanding of the evolution of finance at the global level. Experiential learning gives students practice in applying relevant theory and puts them in a position to contribute immediately to the companies that hire them upon graduation.
5.1 Program features

The following table summarizes the important features of the proposed Tippie MSF program:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program title</td>
<td>Master of Science in Finance</td>
</tr>
<tr>
<td>Target market</td>
<td>Undergraduates in business or any other quantitative area (e.g., Economics, Actuarial Science, Mathematics, Statistics, Computer Science, Engineering, etc.), open to both domestic and international students</td>
</tr>
<tr>
<td>Program length</td>
<td>A minimum of 15 semester hours each semester. And, a non-credit bearing internship.</td>
</tr>
<tr>
<td>Mode and format</td>
<td>Full-time program, regular instruction, two or three credit hour courses requiring 24 or 36 hours of classroom time in a semester, large experiential learning component including projects, case studies, and outside speakers Lock-step program in finance and related topics with some electives.</td>
</tr>
<tr>
<td>Location</td>
<td>To be housed within the Finance Department in the Business Administration academic unit, in the Tippie College of Business, University of Iowa in Iowa City</td>
</tr>
<tr>
<td>Admission criteria</td>
<td>Bachelor’s degree from a U.S. college or university, or an equivalent degree from another country, minimum 3.0 GPA or the foreign equivalent. For international applicants, an acceptable TOEFL score is a minimum of 600 (250 computer based test or 100 internet-based test) or a minimum IELTS score of 7.0 (with no subscore lower than 6.0). International applicants must take the TOEFL exam.</td>
</tr>
<tr>
<td>Advising</td>
<td>The program will have a program director who will be the primary advisor for all students, the director may further connect the students to a faculty member based on the student’s and the faculty member’s mutual academic interests</td>
</tr>
<tr>
<td>Placement services</td>
<td>The program director will co-ordinate with the MBA placement services to arrange internships and job opportunities for students</td>
</tr>
<tr>
<td>Good standing and graduation criteria</td>
<td>We will adopt the requirements of the Graduate College of the University of Iowa: <a href="http://www.grad.uiowa.edu/manual-part-1-section-iv-academic-standing-probation-and-dismissal">http://www.grad.uiowa.edu/manual-part-1-section-iv-academic-standing-probation-and-dismissal</a></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Largely a lock-step program with some room for electives</td>
</tr>
<tr>
<td>Desired size</td>
<td>Hope to start with 25 students but aim to admit up to 50 students each year in the long run (the desired class capacity with one section of each course)</td>
</tr>
<tr>
<td>Tuition fee</td>
<td>Total tuition of $9,600 and $15,000 per resident and non-resident, respectively inclusive of supplemental tuition of $5,474 and $2,433 per student per semester for resident and nonresident students, respectively. A special tuition fee is an additional $5,474 per semester for residents and $2,433 per semester for non-residents.</td>
</tr>
</tbody>
</table>
5.2 The course curriculum in detail

The program is a minimum 45 credit hour program designed to be completed in three semesters of full-time study spanning fall-spring-fall semesters. Some students may also choose to write a thesis which substitutes for an elective course with the approval of the program director. The thesis option may prolong the duration of the program, although most students may not pursue this option. We stress that these options, especially the thesis option, are not a program requirement, and are thus not mandatory.

The aggregate course curriculum can be divided into three parts. First, it has the core or fundamental subjects including corporate financial reporting, microeconomics and macroeconomics, financial econometrics, quantitative methods, corporate communications, and managerial finance. These core courses provide the prerequisite skills for studying finance at an advanced level. Second, a few “required-elective” finance courses to enhance the students’ knowledge and skills associated with quantitative finance and financial analytics. These required-elective courses include financial modeling and firm valuation, investment management, derivatives and risk management, financial econometrics, international finance, and fixed income. The rigor and sophistication of these courses will meet the needs of the financial industry. Third, we include a few (true) elective courses that allow students to customize the program to their unique interests and career goals. The list includes applied securities management, structured finance, advanced corporate finance, hedge funds, private equity, real estate, investment banking, risk management and insurance, and possibly hedge funds and private equity. Some of these courses are already offered in the MBA program. The recommended topics to be covered in the courses are shown in Appendix A.2.

5.3 Comparison with other Masters in Finance programs

A partial list of MSF programs is shows in Appendix B.1. Appendix B.2 shows the 2013 Financial Times rankings of MSF program. For comparison the key features of a few selected MSF programs are shown in Appendix B.3. The list includes state and private universities and a fair number of Big Ten institutions. The programs range from 30 to 40 credit hours taken over one to two years. Some of the programs are part-time or on-line (both of which can stretch to longer periods). The fees range from the usual state university fees for graduate programs (undisclosed) to $56,000 at John Hopkins University in USA and C$99,000 for international students at the University of Toronto.
Many schools offer a one-year program (See Appendix B.3). For various reasons the proposed Tippie MSF Program is structured as a three-semester program. First, similar to other MS in Finance programs our program will attract a fair number of foreign students that are typically harder to place relative to domestic students. Our three-semester program proposal gives students a greater opportunity for internship and externship, which should enhance the likelihood of their eventual placement. Second, since the Tippie Finance Department is one of the few CFA partner schools the program duration would also give students the opportunity to work towards achieving the CFA designation, which gives them additional credibility and enhances their long term career success. Finally, the three semester format creates flexibility for offering more rigorous education and built-in options to allow for customization, which may help mitigate the disadvantage of our program being located away from the money centers.

5.4 Unique features of the Tippie Master of Science in Finance program

Within the state, Iowa State University is a Regents’ institution that started a Master of Science program in finance in fall 2014. Appendix B.3 shows some features of the Iowa State University’s Masters in Finance program. It appears the program may have been carved out of existing graduate courses in the MBA and other programs. Below we state the key elements that distinguish the Tippie MSF Program from that of Iowa State University. The emphasis on quantitative finance theory coupled with several other features of the program stated above are what separate and distinguish the Tippie MS in Finance from the Iowa State program.

Tippe Finance Department is highly regarded by both academics and finance professionals. Tippie Finance program is ranked #1 BEST in Finance by Financial Times (world, 2016) which reflects the value of our assets in place including core competency in teaching and research. Our record of placing graduates of our doctoral program at other institutions of higher learning including the Iowa State University is well established.

Blended Learning Program that combines quantitative theory and real world applications of complex financial technologies where students learn from both success and failure, as well as discover their potential to deal with unstructured problems

Experiential Learning Platform with finance industry connectivity that offers students the opportunity to work with experienced finance professionals and business thought leaders

Three-semester program with 40 to 45 credit hours of course work specifically designed to add more rigor, flexibility and customization to suit students’ career goals.

Internship program that provides students an opportunity to “test drive” career options, enhance eventual placement and career success
CFA Partner School that provide strong preparation for achieving CFA designation for career success.

Annual business-to-academic (B2A) Forum provides students opportunities to interact with industry professionals and learn first-hand about innovations in industry best practices.

5.5 Differences from the MBA program and the risk of cannibalization across programs

The MBA and the Master of Science in Finance programs are quite distinct, although they may run some joint courses. The MBA program is designed to provide students with a broader overview of business across functional areas to prepare them for future middle to high level management positions and supervisory roles. The Master of Science program is instead designed to dig deeper in only one field, so the students truly master the complexity of the field of finance. As such, the two programs will draw from different populations. The MBA students will continue to have more professional work experience. In comparison, the Master of Science students will be younger and have stronger quantitative skills with little or no professional work experience. Thus, there is minimum risk of cannibalization across programs.

6. Relationship to program resources developed by CIC

Not applicable.

7. Comparison with standards established by regional or national accrediting associations

There are no separate accrediting associations for Master in Finance programs at present.

8. Implications for undergraduate work

The proposed MS program in finance is available only for graduate students, and thus represents a unique educational opportunity for students who have recently completed their undergraduate degrees and are seeking to pursue advanced education in specialized finance. The potential pool of applicants will include University of Iowa students with undergraduate degrees in finance or any quantitative area (e.g. Economics, Actuarial Science, Mathematics, Statistics, Computer Science, Engineering, etc) seeking to pursue careers in financial services sector, enhance their long term career success or as preparation for PhD program in financial economics. Moreover, Master of Science in Finance course content can be shared with select undergraduate students. Our undergraduate students will also have access to potential employers who would participate in recruiting events for the Master of Science in Finance program.
9. Summary of External Letters of support for the program

   External letters of support from industry leaders are attached as Appendix B.4. The letters are broadly supportive of our proposed program. They comment on the usefulness of such a program to prepare students for entry level positions in finance and eventual career success. Some of the reviewers have also offered to support the program with likely internship and guest lecturer appearances.

10. Summary of Resource Requirements and Budget Statement

   The faculty, physical and financial resources required to operate the program and a proposed budget modeling two alternative revenue distributions was earlier provided to Tippie College of Business Office of the Dean. The detailed revenue and cost projections for the first four years of the program assume a gradual increase in enrollments from 25 to 40 students per year. These projections further assume that for the first four years the courses will be taught by a mixture of tenure-track and non-tenure-track faculty (on an overload basis for some) at an estimated compensation of $24,000 and $17,000, respectively.

   At this point the requisite databases are in place and no significant laboratory or equipment costs other than a personal computer and software are anticipated. Some of the resources, such as placement services, are assumed to be available from the college at no incremental cost. Where appropriate, select courses of the proposed MSF program may be offered concurrently with the MBA program, which will reduce expenditure on faculty. However, in the long run the finance department will definitely need additional faculty members to deliver the new courses, especially since the present demand to cover the undergraduate, full-time MBA, part-time MBA, Executive MBA, and Ph.D. programs exceeds the capacity of the existing faculty size. We may need three to four new faculty members in the long-run to support the proposed program. These new faculty could be a mix of tenure-track research plus non-tenure-track teaching only faculty.

10.1 Major cost categories

   The major cost categories are in the areas of faculty/staff resources, marketing and advertising.

10.2 Revenue

   We project that the proposed Master of Science in Finance program can bring in sustainable tuition revenue over time. The resident and nonresident student tuitions for the program are respectively, $9,600 and $15,000 per semester per student for the first four years of operation. Based on the spring 2015 graduate college tuition for 9+ credit hours, these tuition levels correspond to tuition supplements of $5,474 and $2,433 per semester per resident and
nonresident students, respectively. Over the program duration of three-semesters the total tuition cost per resident and nonresident student are $28,888 and $45,000, respectively. Assuming a 60%-40% mix of resident and nonresident students and a long-term enrollment of 50 students each year, we forecast a long-term annual tuition revenue to university of $1.76 million (50x(0.60x28,800+0.40x45,000)) in 2015 dollars. This estimated revenue came from the detailed financial analysis submitted to TCOB Dean Sarah Gardial.
Professor John Keller  
Dean, Graduate College  
The University of Iowa  
Gilmore Hall

Dear John,

RE: MS Finance Proposal

I am writing in support of the proposal from the Finance Department at the Tippie College of Business to offer a new Master of Science in Finance degree program. This new program is very well aligned with the collegiate strategic plan, which specifically calls for a broadening of our graduate degree offerings. The proposal has been in development for several years and the details regarding the program of study and required resources are well thought out. National demand for the Masters in Finance is strong and several of our peer institutions are now offering such programs. The Finance Department at Tippie has an excellent faculty, strong leadership and an international reputation and is in an outstanding position to attract qualified students. The college is committed to supporting the Finance Department with the additional faculty and staff resources that the new program will require. Please let me know if I can provide any additional information.

Sincerely,

Sarah Fisher Gardial  
Henry B. Tippie Dean
September 8, 2016

John Keller
Dean of the Graduate College

Dear John:

I am writing to state that I fully support and endorse the proposal for a Master of Science in Finance.

Please let me know if you need any further information.

Sincerely,

Erik Lie
Chair, Department of Finance
September 8, 2016

Kurt Anstreicher
Associate Dean
Tippie College of Business
C120 PBB

Dear Kurt:

This letter provides my endorsement, on behalf of the Accounting Department, for the Finance Department’s plan to offer a Master of Science degree in Finance (MSF). I know many other top business schools around the country now offer Master’s of Finance degrees, and there are an increasing number of employers interested in hiring graduates of these programs. I have read the outline of proposed courses and I believe the Finance department has selected an excellent set of courses for students to take in this program. I understand that the only required accounting course for this program will be a course that covers upper-level financial reporting topics similar to what’s now offered in ACCT:3020, Financial Accounting and Reporting. This course focuses on the interpretation and use of financial statements. Those students who have already had ACCT:3020 as part of their finance undergraduate degree here at Iowa, will be required to take another accounting class in our MAc program (most likely ACCT:9040, Financial Information and Capital Markets) or an MBA class like ACCT:9030, Financial Accounting Standards & Analysis. Presently, we have limited capacity to accommodate additional students in ACCT:3020 (most sections are at or near 60 students per section). Depending on the number of students wishing to take ACCT:9040 or ACCT:9030, we may need to add additional sections of these classes. One way to accommodate this additional demand would be to add a Lecturer or Professor of Practice who has significant work experience in the financial sector or public accounting.

In conclusion, I am happy to endorse the establishment of this program. I think it would be good for the finance department and for the Tippie College to have such a program.

Sincerely,

[Signature]
Daniel W. Collins, DEO
Department of Accounting
September 8, 2016

John Keller, Dean
Graduate College
201 Gilmore Hall

Dear Dean Keller:

I am writing as DEO of the Management Sciences Department in support of the proposal for a Master of Science in Finance degree being submitted by the Tippie College of Business. The department will welcome MS Finance students into our courses.

Sincerely,

Nick Street
Henry B. Tippie Research Professor and DEO
September 9, 2016

Kurt Anstreicher  
Senior Associate Dean  
Tippie College of Business  
C120 PBB

Dear Kurt:

On behalf of the Economics Department, this letter serves as a formal endorsement of and support of the proposal submitted by the Department of Finance to offer a Master of Science program in finance. The proposed program is consistent with the changes occurring in the financial services industry that are creating increasing demand for graduates with specialized training in quantitative finance. In this context, the Department of Economics will be able to offer courses in macroeconomics and financial econometrics to support the program. Depending on the number of students enrolled in the proposed program, separate course sections may be needed to accommodate the new students. In this case, additional faculty may be needed to cover the courses.

In summary, I am delighted to endorse the proposed program and the Economics Department looks forward to working with the Finance Department to achieve the goals of the proposed initiative.

Sincerely,

[Signature]
Jay Sa-Aadu, Interim DEO  
Department of Economics
## Appendix A.2: Proposed Master of Science in Finance Program: Curriculum

Three semesters: Fall – Spring – Fall, 40 to 45 credit hours for graduation, 13 to 15 per semester

<table>
<thead>
<tr>
<th>Course</th>
<th>Credit</th>
<th>Time</th>
<th>Contents</th>
<th>Additional Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Financial Reporting</td>
<td>3</td>
<td>Fall 1</td>
<td>Core financial accounting course that will cover more than the MBA 6N:215 course, additional discussion of international accounting standards</td>
<td>To understand both sides of balance sheet besides income and cash flow statements, it has to be a full semester course</td>
</tr>
<tr>
<td>International Economic Environment of the Firm</td>
<td>3</td>
<td>Fall 1</td>
<td>Core economics course, see description of 6N:228, include micro- and macro-economics, monetary and fiscal policy</td>
<td>The course needs to be focused on financial economics</td>
</tr>
<tr>
<td>Quantitative Methods</td>
<td>2</td>
<td>Fall 1 – first half</td>
<td>Basic data analysis techniques (Excel, Visual Basic, Crystal Ball), financial data sources (similar to FIT course), web data retrieval and usage, predictive modeling and simulation, lab exercises</td>
<td>A combination of 6N:216 Business Analytics, 6F:110/210 FIT, and 6K:230 Database Systems</td>
</tr>
<tr>
<td>Corporate Communications</td>
<td>2</td>
<td>Fall 1 – second half</td>
<td>Something similar to 6N:204, teach written and oral communication</td>
<td>We assume proficiency with English is not a problem</td>
</tr>
<tr>
<td>Managerial Finance for Corporate Decisions</td>
<td>3</td>
<td>Fall 1</td>
<td>A combination of 6N:225 and 6F:215, make it light on CAPM related materials and intensive on project valuation/NPV dimensions, also financing sources</td>
<td>It has to be a new course designed for this program</td>
</tr>
<tr>
<td>Financial Modeling and Firm Valuation</td>
<td>2</td>
<td>Spring – first half</td>
<td>Similar to 6F:206 taught by Todd Houge</td>
<td>May supplement the lone first semester course on core finance</td>
</tr>
<tr>
<td>Investment Management</td>
<td>3</td>
<td>Spring</td>
<td>A combination of existing 6F:212 and 6F:217, exotic investments could be in Structured Finance course below</td>
<td>This would be a core course, yet it is not given during the first semester</td>
</tr>
<tr>
<td>Derivatives and Risk Management</td>
<td>3</td>
<td>Spring</td>
<td>A rigorous and somewhat theoretical course focused on basics of derivatives</td>
<td>Teach a large part of Hull textbook on pricing plus risk measurement and management</td>
</tr>
<tr>
<td>Financial Econometrics</td>
<td>2</td>
<td>Spring – second half</td>
<td>Time-series and cross-sectional analysis, SAS and other analytical packages, using wrds, more research oriented</td>
<td>Antonio Galvao would be a good person to teach such a course</td>
</tr>
<tr>
<td>International Finance</td>
<td>3</td>
<td>Spring</td>
<td>Has to be a rigorous full semester course, international-international in scope, not US-international</td>
<td>New course, include project finance</td>
</tr>
<tr>
<td>Applied Securities Analysis – Henry Fund I</td>
<td>3</td>
<td>Spring</td>
<td>This is a select elective, in other words a subset of students will choose, and if they meet the eligibility criteria they will be admitted to the prestigious course</td>
<td>Same as the existing 6F:221 Henry Fund course for MBA students</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>3</td>
<td>Fall 2</td>
<td>Has to be a more rigorous full semester course</td>
<td>New course</td>
</tr>
<tr>
<td>Structured Finance in Global Markets</td>
<td>3</td>
<td>Fall 2</td>
<td>This could be an advanced course in investments, derivatives, international finance, and fixed income all in one</td>
<td>It would be a challenge, but also interesting to design</td>
</tr>
<tr>
<td>Global Financial Institutions</td>
<td>3</td>
<td>Fall 2</td>
<td>Emphasis on both U.S. and non-U.S. banks and other institutions</td>
<td>Include Global sourcing of funds</td>
</tr>
<tr>
<td>Applied Securities Analysis – Henry Fund II</td>
<td>3</td>
<td>Fall 2</td>
<td>See above, a continuation of Henry Fund I</td>
<td>Same as the existing 6F:222 Henry Fund course</td>
</tr>
<tr>
<td>Electives</td>
<td>3-6</td>
<td>Fall 2</td>
<td>Say 4 credit hours on topics of interest</td>
<td>Wide range of courses below</td>
</tr>
</tbody>
</table>

Job search
Notes:

1. Elective courses will be chosen from the existing MBA courses: Advanced Corporate Finance, Real Estate, Investment Banking, Risk Management and Insurance, Entrepreneurial Finance, an Advanced Accounting course, and a Course of Independent Study (or thesis). Other courses may qualify with the approval of the program director.

2. Students who take the Applied Securities Analysis – Henry Fund I and II courses will have the option of not taking one of the listed courses in both the second and third semesters.

3. Most students should finish the program in three semesters. However, interested students will be allowed to continue their study with one or more courses in the fourth semester. This may be relevant for students who take the Henry Fund courses and have to sacrifice some of the listed courses during the second and third semesters. There are other advantages to allowing this extra semester. First, students can do a more effective job search having completed the program requirements. Second, interested students can continue their preparation for the CFA exams. Third, the international students may want to be enrolled as students for an extra semester due to visa restrictions.

4. The elective courses may be run in the 2/3 – 1/3 format. This means that the instructor covers 2/3 of course comprising the core concepts in the first half semester and 1/3 of course comprising the advanced concepts in the second half semester. The MBA students would join in the first half semester only.
Corporate Financial Reporting

This will be the first and only required accounting course for the Master of Science in Finance students. It covers similar topics to the 6A:120 Financial Accounting and Reporting course given to undergraduate course, but with added rigor. It teaches students about financial reporting practices with an emphasis on the interpretation and use of financial statements. The covered topics include the accounting treatment of accounts receivable, inventory, fixed assets and depreciation, cash flow statement, fair value accounting, bonds, leases, taxes, pensions, issuing securities, repurchases and dividends, stock-based compensation, and earnings quality and accounting fraud.

Likely instructors: At present this course is taught by Professor Samuel Melessa of the Accounting department, who is highly recommended. But it is a general accounting course that can be taught by many other Accounting faculty members.

Some of our students, especially those with undergraduate degree in business from the University of Iowa, may have already taken this course. In that case they would be directed to a suitable elective course in accounting or another area of their choice.
International Economic Environment of the Firm

This course uses economic (microeconomic and macroeconomic) theory to address a number of specific questions that matter for business strategy. Students will be able to apply the analytical, including game-theory, tools to the analysis of practical business problems. A similar course is 6N: 228. The possible topics are:

- Market equilibrium in competitive markets
- Monopoly and price discrimination
- Basics of game theory
- Incentives: moral hazard and adverse selection
- National accounting
- Economic growth
- Open economy and capital flows
- Government debt and economic crises

Likely instructors: A finance faculty member with solid economics background could develop this course (Tom Rietz, Art Durnev). Alternatively, we can seek an economics department faculty member to teach this class.
Quantitative Methods

This course aims to teach students the basics of financial data processing for managerial decision making. The emphasis should be on both data retrieval and usage. The course would synthesize concepts taught in 6F:110/210 Financial Information Technology, 6N:216 Business Analytics, and 6K:230 Database Systems. The precise course contents should be decided by the instructor in consultation with the program director. Main topics would include:

- Modeling with Excel and Visual Basic for Applications (VBA), other data visualization packages
- Predictive modeling, forecasting, simulation, and optimization using Oracle Crystal Ball or other appropriate software
- Understanding financial data sources, for example, SEC Edgar, Yahoo, Google Scholar, wrds, and others
- Web data retrieval and usage

Likely instructors: The Finance department will seek help and advice from the Management Science department. Course design may seek the expertise of existing instructors of above mentioned courses. While there may be many qualified instructors of this course, a couple of names would include Gautam Pant and Michael Colbert (who are experts with web data retrieval and usage and teach similar courses at MBA and undergraduate levels).
Corporate Communications

This course focuses on how companies communicate with their key audiences both internal and external to the company. Students are exposed to communicative practices in the corporate environment including internal communication style and best practices, image management, crisis communication management, advertising, public relations, new communications technologies (social media). Through case study analysis, guest speakers, role playing, and discussions, the course introduces students to the best practices that enhance the ability of companies to reach a variety of stakeholders including customers, investors, employees, suppliers, media, government and regulatory agencies and communities. The course will emphasize the following key topics:

- Globalization, economic and financial integration
- Changing business environment
- Workplace diversity
- Customer diversity
- Social Media
- Communicating strategically
- Identity, image and reputation
- Corporate social responsibility
- Media relations
- Internal communication
- Investor relations
- Government relations
- Crisis management communication
- Ethical standards
- Professional Standards
- Legal constraints in communication

Likely instructors: It is usually not difficult to find instructors for a course in communications given that we have a large Department of Communication Studies on campus. We can advertise there for our needs.
Managerial Finance for Corporate Decisions

This class is similar to 6N: 225. The goal of this course is to provide insight into the decision making process of financial managers. The course blends financial theory with real-world applications of decision criteria. By focusing on the practical relevance of these issues, we will explore the implications of real-world market on corporate decisions. Topics to be covered include:

- Time value of money
- Investment decision rules
- Capital budgeting
- Stock valuation
- Bond valuation
- Cost of capital

Likely instructors: This is such a basic course that any finance faculty should be able to teach it.
Financial Modeling and Firm Valuation

This course is designed to equip students with practical tools necessary to understand and evaluate major corporate actions like capital structure choices, mergers and acquisitions, initial public offerings and other important investment decisions. The course assumes knowledge of basic valuation techniques like DCF and APV. Students will learn how to set up financial planning/valuation models in Excel. Advanced valuation concepts will be introduced in the process. The topics are:

- Valuation methods
- Financial planning in Excel
- Cost of debt and equity
- Optimal capital structure
- Private equity
- IPO
- Mergers and acquisitions
- LBOs

Likely instructors: Todd Houge and Amrita Nain from the Finance department have taught similar courses in the past. Other finance faculty should also be able to develop such a course.
Investment Management

This is usually a core course in any finance program. It teaches the fundamentals of investment management. Other courses such as Derivatives, Fixed Income, International Finance, Real Estate, and Structured Finance usually build on the concepts taught in this course. The proposed course would combine the topics of the two modular MBA courses 6F:212 Investment Management and 6F:217 Alternative Investments and Portfolio Strategies. However, some of the concepts would be left out for the other courses. Main topics would include:

- Structure of financial markets and the trading process
- Investment management companies
- Portfolio theory
- The efficient markets hypothesis
- Asset pricing models such as CAPM, APT, and factor models
- Bond and stock pricing
- Mutual fund and hedge fund management and performance
- Private equity

Likely instructors: This is again a core finance course that many or most finance faculty should be able to teach. In recent years, Investment Management courses have been taught by Jeff Hart, Wei Li, Yiming Qian, Ashish Tiwari, Anand Vijh, and Tong Yao.
Derivatives and Risk Management

It is difficult to imagine the financial markets these days without derivative securities. The Master of Science in Finance students would require a solid background in the pricing and applications of derivative securities. In particular, the course should teach risk management applications of derivative securities. It would be a more comprehensive course than the current modular MBA course 6F:213 Derivative Securities. The main topics would include:

- Understanding the institutional setup of derivative securities and markets
- Simple futures, forwards, options, and swaps on physicals, interest rate instruments, equities, and currencies, however, the course should put less emphasis on interest rate instruments and currencies that would also be covered in Fixed Income and International Finance courses
- A solid training in binomial model and simulation procedures of pricing derivative securities
- Risk measurement using time-series of asset prices
- Risk management using derivatives, applications to both corporate risk management and portfolio risk management, value at risk, however can leave out credit risk management and currency risk management to be taught in Fixed Income and International Finance courses
- Exotic derivative securities and applications
- Case studies in risk management could be included

Likely instructors: Although not all finance faculty can immediately teach a derivatives course, there are many who can. The list would include David Bates, Jeff Hart, Wei Li, Jay Sa-Aadu, and Anand Vijh.
Financial Econometrics

The goal of this course is to learn basic and more advanced econometric applied for the analysis of financial data. The course will build on math statistics knowledge acquired during a math boot camp. A good textbook for this class is Chris Brooks “Introductory Econometrics for Finance.” The possible topics are:

- Linear regression
- Hypothesis testing
- Multivariate regressions.
- Types of errors
- Problems with simple OLS
- Panel data
- Endogeneity and instrumental variables
- Time series models

Likely instructors: Antonio Galvao from the Economics department would be the best instructor to teach such a course, and he seems interested.
International Finance

The Master of Science Program in Finance is likely to attract a large number of international students. Many of these students will seek job opportunities in their home countries. The importance of International Finance is further emphasized by the rapid growth in international trade in relation to GDP of most countries and the near exponential growth of international investments and derivatives. This first course will teach the basics of international finance with emphasis on international economics and investments. The second course of International Financial Institutions will teach more of banking, corporate finance, and sourcing of capital. Main topics include:

- Why countries trade, scope of international trade, balance of payments
- Currency systems
- Interactional of macroeconomic policies and currency rates
- Currency markets and trading
- International parity relations
- Currency derivatives, currency risk measurement, and currency risk management
- International investments and portfolio theory
- Country crisis and international financial crisis
- International taxation and tax havens
- Case studies in International Finance

Likely instructors: In recent years, many finance faculty have taught International Finance courses, including Art Durnev, Jeff Hart, David Bates, Erik Lie, and Anand Vijn.
Fixed Income

The primary purpose of this course is to provide sound working knowledge of the state of the art models and techniques for analyzing fixed income instruments and their derivatives in global financial markets. The course will shed light on the important players in the market, institutions, type of debt securities, analytical tools for relative valuation of fixed income securities, credit risk modeling and interest rate risk management. Some specific topics covered are as follows:

- Overview and organization of debt markets: types of debt securities, sources of risk and returns, major players, dealers, rating agencies, investors U.S Treasury and the Federal Reserve
- Fixed Products, Basic Analysis and financing of debt securities: spot rates, forward rates, price-yield conventions, auctions, repurchase agreements, reverse repos, long short positions using repos, reverse repos and synthetic forwards
- Fixed income analytics I: relative valuation methods, price value of basis points, duration, convexity, effective duration, effective convexity, spreads trading and hedging
- Fixed income analytics II: Models of yield curve and term structure, no-arbitrage pricing, yield curve fitting, zero coupon curve extraction, bootstrapping procedure, models of yield curve and term structure, binomial trees, Vasicek model, bonds with embedded options
- Mortgage Related Security products: MBS, CMO, IO, POs, Prepayment risk, negative convexity
- Portfolio risk management: ALM, portfolio immunization and matching strategies
- Fixed income derivatives: interest rate futures, treasury futures contracts, overnight index swap
- Modeling Credit Risk: Defaults, business cycles, rating agencies, recoveries, structural models of default, loss given default(LGD), value at risk (VAR)

This course will prove useful to individuals considering careers in such diverse areas fixed income portfolio management, fixed income trading, corporate financial management, wealth management, financial risk management, central banking, regulation and supervision, fixed income research, and investment banking.

Likely instructors: The finance department is short on faculty with training in fixed income management. In recent years, Jay Sa-Aadu has been teaching the course at MBA level while Jeff Hart and Gerry Suchanek have been teaching at the undergraduate level. Gerry Suchanek has retired. While other faculty mentioned under the Derivatives course could develop such a course, our next hire in the general finance department should be in the fixed income and derivatives area.
Structured Finance in Global Markets

Broadly defined, structured finance is the design of debt, equity and hybrid financing techniques in order to resolve particular issuer and investor problems that cannot be solved by conventional methods. Structured finance techniques are leading finance tools used by financial institutions, corporations, municipalities, and other public and private institutions to create liquid tradable assets, raise capital more cheaply, diversify sources of funding, manage balance sheet risk exposure, rectify asset liability mismatches, and reduce regulatory and economic capital requirements, if and when applied appropriately. The course will focus on the following specific topics:

- Basic principles of structured finance: motivation, principles, structures, process and procedures
- Institutional framework: Special purpose vehicles (SPV), legal, accounting, regulatory principles
- Plain vanilla mortgage securitization: Pass-through structure or mortgage backed securities (MBS)
- Structured Mortgage Backed Securities: Market completion, CMOs, IOs, POs, Floaters, Reverse Floaters, PACs and TACs
- Asset backed securities: auto loan structures, revolving structures, ABCP
- Collateralized Debt Obligations (CDOs): Plain vanilla CDO, CLOs, Synthetic CDOs
- Managing Cash flow Risk of Structured Finance: Credit default swaps, interest rate swap, currency swaps, Caps and floors, credit linked notes
- Principles of Covered Bonds and Trust Preferred Securities
- Financial economics (cost-benefits) of structured finance
- Role of rating agencies and Credit enhancement structures

The course will prove useful for individuals considering careers in such diverse areas as commercial and investment banking, financial risk management, corporate strategy, corporate law, financial strategy consulting, portfolio management, investment and financial management positions in institutions such as banks, non-bank financial institutions, insurance companies, pension funds, government treasury departments, central banks, hedging, public accounting firms and industrial corporations.

Likely instructors: Only Jay Sa-Aadu has taught this course and at the MBA level. Other faculty mentioned under Derivatives course could presumably develop such a course. The proposed Master of Science in Finance highlights the need for further hires in the fixed income and derivatives area.
Global Financial Institutions

This class is designed to introduce students to practical applications of the global financial environment. The main objective of this class is to prepare you for valuing an international project, assessing the risks and returns of the project, and developing tools to mitigate the risks. We will cover capital budgeting issues in the international setting and methods to mitigate various risks. We will emphasize financial issues of the public-private partnership projects and governance regulations and procedures in different countries. Cases are an integral part of this course and constitute a large part of the grade. The topics include:

- Capital budgeting in international setting
- Political risk, exchange rate risk
- Risk management in international setting (forwards, swaps, options)
- Public-private partnership
- Project finance
- Governance
- International banking, shadow banking

Likely instructors: Art Durnev used to teach an Advanced International Finance class at McGill. However, some of the subjects in this class were not covered in the International Finance class. These topics will require additional preparation time. The topics not previously covered are those related to international banking, shadow banking, politics and finance. Other instructors mentioned under International Finance course could potentially develop this course.
Applied Securities Analysis – Henry Fund I and II

This is a prestigious and well-recognized course offered by the Tippie College of Business to its MBA students for several years. It trains the students to be security analysts and portfolio managers. A full course syllabus is available on:

http://tippie.uiowa.edu/henry/docs/syllabus_6f221.pdf
Appendix B.1: Partial list of Masters in Finance programs
(compiled by Don Chance of LSU)

- American University
- Auburn University
- Baruch College
- Bentley College
- Boston College
- Brandeis University
- Case Western Reserve University
- Claremont McKenna
- Clark University
- Creighton University
- DePaul University
- Drexel University
- Florida International
- Florida State University
- George Washington University
- Georgia State University
- Golden Gate University
- Hofstra University
- Illinois Institute of Technology
- Indiana University
- Lewis University
- Louisiana State University
- Loyola University in Maryland
- Loyola University of Chicago
- Massachusetts Institute of Technology
- Michigan State University
- New Jersey City University
- New School
- Northeastern University
- Ohio State University
- Pacific Lutheran University
- Penn State Great Valley
- Pepperdine University
- Portland State University
- Princeton University
- Purdue University
- Rochester Institute of Technology
- Rutgers University
- St. Joseph's University
- Southern Methodist University
- Southern New Hampshire University
- Suffolk University
- Syracuse University
- Texas A&M University
- Tulane University
- University of Alabama
- University of Arizona
- University of Baltimore
- University of Buffalo
- University of California at San Diego
- University of Cincinnati
- University of Colorado at Denver
- University of Denver
- University of Florida
- University of Houston
- University of Illinois at Chicago
- University of Illinois at Urbana-Champaign
- University of Maryland
• University of Massachusetts at Boston
• University of Miami
• University of Michigan-Dearborn
• University of North Texas
• University of Rochester
• University of Santa Clara
• University of South Florida
• University of Southern California
• University of Tampa
• University of Texas at Austin
• University of Texas at Dallas
• University of Texas at San Antonio
• University of Tulsa
• University of Utah
• Vanderbilt University
• Villanova University
• Virginia Commonwealth University
• Washington University in St. Louis
• Webster University
• West Virginia University
### Appendix B.3: Key features of a few selected Master of Finance programs (2013)

<table>
<thead>
<tr>
<th>Program</th>
<th>Classes</th>
<th>Admission</th>
<th>Tuition</th>
<th>Duration</th>
<th>Unique Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Western</td>
<td>Mostly MBA finance electives, but two more courses in empirical finance (SAS, FE) and financial econometrics, modeled after Vanderbilt</td>
<td>60 students, 52 Chinese, Dean asking to increase to 120, six year old program, 1,300 applicants and 1,250 from PRC</td>
<td>$50,000</td>
<td>Three semesters, 39 credit hours</td>
<td>Good placement for more quantitative students</td>
</tr>
<tr>
<td>HES in Paris</td>
<td>Quantitative asset management, soft skills seminar, Ethnic seminar</td>
<td>Undergraduate degree, prior finance classes, GMAT or GRE, references</td>
<td>€25,000</td>
<td>1 year</td>
<td>MS in International finance, cheap program, partnership with China</td>
</tr>
<tr>
<td>University of Illinois, UIUC</td>
<td>Looks mostly like regular finance, but with an asset management tilt, Excel Crystal Ball, SAS, no thesis</td>
<td>114 students! Average GMAT 688, younger</td>
<td>$34,000</td>
<td>1 year or more (part time)</td>
<td>50 year old, CFA partner, covers 70% of CFA curriculum, Bloomberg certification</td>
</tr>
<tr>
<td>Univ of Illinois also has an MSFE program (financial engg) in its third year, collaboration between business and engg schools</td>
<td></td>
<td>$34,000</td>
<td>1 year or more (part time)</td>
<td>Quantitative, UIUC has the best engg program in Big 10</td>
<td></td>
</tr>
<tr>
<td>Indiana Univ</td>
<td>Sounds just like regular finance curriculum, with corporate finance, investments, and accounting courses</td>
<td>100 students, website says 24, older, mostly working, average GMAT 607</td>
<td>$1,175 per hour, $35,000 total</td>
<td>1 to 5 years, 30 credit hours</td>
<td>Online program, joint MBA available, strong Indiana reputation, placement not a concern for students</td>
</tr>
<tr>
<td>John Hopkins University</td>
<td>Business communication, leadership, entrepreneurial finance, financial econometrics</td>
<td>Undergraduate degree, no work experience, GMAT or GRE, references</td>
<td>$56,000</td>
<td>1 year</td>
<td>Part-time 2-year option, great communication with prospective students, invitation to social events.</td>
</tr>
<tr>
<td>London Business School</td>
<td>Personal assessment and development</td>
<td>Undergraduate degree, GMAT or GRE, 2 years of work experience, 2 essays, 2 references, interview</td>
<td>£37,000</td>
<td>1 year</td>
<td>Part-time 2-year option, finished undergraduate degree is not a strict requirement</td>
</tr>
<tr>
<td>Michigan State Univ</td>
<td>Very plain looking corporate finance curriculum with no unique features except a law course, no coverage of derivatives or quant finance, looks stupid program to me</td>
<td>Two years of experience, 3.25 GPA</td>
<td>$36,000 in-state, $38,000 out-state</td>
<td>30 credit hours accelerated program June to May</td>
<td>CFA partner, covers 70% of CFA curriculum,</td>
</tr>
<tr>
<td>University of Toronto</td>
<td>Leadership and negotiation in finance, applied portfolio management, applications of derivatives, macroeconomics for finance</td>
<td>Undergraduate degree, GMAT or GRE or CFA, 2 years of work experience, 3 essays, 2 references, interview</td>
<td>C$82,000 for domestic, C$99,000 for international</td>
<td>2 years</td>
<td>Can substitute CFA for GRE</td>
</tr>
<tr>
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</tr>
<tr>
<td>SUNY Buffalo</td>
<td>Two tracks, MS – Financial Management, and MS – Quantitative Finance, with the general courses you would expect, internship not required</td>
<td>About 100 students, 25% in QF, 75% in FM, mostly Chinese, good students with GMAT in upper 600s</td>
<td>$12,400 in-state and $20,800 out-state, per year, total $32,000</td>
<td>Three semesters, no summer, 18 months,</td>
<td>That it is successful despite little placement assistance</td>
</tr>
<tr>
<td>Iowa State University</td>
<td>More quantitative than a typical MBA or undergraduate business program, but not a quantitative finance program</td>
<td>Initially 10, finally 30, targeting mostly domestic, may draw from engg school</td>
<td>$14,200 for three semesters in-state, and $33,000 out-state</td>
<td>40 credit hours in three or four semesters</td>
<td>Strong engg and agricultural schools</td>
</tr>
</tbody>
</table>
# A league of their own: the top 10 MBA programmes in selected categories

Based on the 2012 graduates' ratings of their programme

## Top for corporate strategy

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lancaster University Management School</td>
</tr>
<tr>
<td>2</td>
<td>Harvard Business School</td>
</tr>
<tr>
<td>3</td>
<td>Insead Business School</td>
</tr>
<tr>
<td>4</td>
<td>University of Michigan: Ross</td>
</tr>
<tr>
<td>5</td>
<td>University of Strathclyde Business School</td>
</tr>
<tr>
<td>6</td>
<td>Dartmouth College: Tuck</td>
</tr>
<tr>
<td>7</td>
<td>City University: Cass</td>
</tr>
<tr>
<td>8</td>
<td>University of Cambridge: Judge</td>
</tr>
<tr>
<td>9</td>
<td>Northwestern University: Kellogg</td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

## Top for e-business

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stanford Graduate School of Business</td>
</tr>
<tr>
<td>2</td>
<td>University of California at Berkeley: Haas</td>
</tr>
<tr>
<td>3</td>
<td>Nanyang Business School</td>
</tr>
<tr>
<td>4</td>
<td>MIT: Sloan</td>
</tr>
<tr>
<td>5</td>
<td>Carnegie Mellon: Topper</td>
</tr>
<tr>
<td>6</td>
<td>University of Maryland: Smith</td>
</tr>
<tr>
<td>7</td>
<td>IE Business School</td>
</tr>
<tr>
<td>8</td>
<td>New York University: Stern</td>
</tr>
<tr>
<td>9</td>
<td>University of Pennsylvania: Wharton</td>
</tr>
<tr>
<td>10</td>
<td>University of Washington: Foster</td>
</tr>
</tbody>
</table>

## Top for economics

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Chicago: Booth</td>
</tr>
<tr>
<td>2</td>
<td>Renmin University of China School of Business</td>
</tr>
<tr>
<td>3</td>
<td>Cranfield School of Management</td>
</tr>
<tr>
<td>4</td>
<td>Yale School of Management</td>
</tr>
<tr>
<td>5</td>
<td>Western University: Iowa</td>
</tr>
<tr>
<td>6</td>
<td>Insead Business School</td>
</tr>
<tr>
<td>7</td>
<td>Dartmouth College: Tuck</td>
</tr>
<tr>
<td>8</td>
<td>Warwick Business School</td>
</tr>
<tr>
<td>9</td>
<td>University of St Gallen</td>
</tr>
<tr>
<td>10</td>
<td>University of Hong Kong</td>
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</tbody>
</table>

## Top for entrepreneurship

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business School</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Babson College: Olin</td>
</tr>
<tr>
<td>2</td>
<td>Stanford Graduate School of Business</td>
</tr>
<tr>
<td>3</td>
<td>MIT: Sloan</td>
</tr>
<tr>
<td>4</td>
<td>University of California at Berkeley: Haas</td>
</tr>
<tr>
<td>5</td>
<td>UCLA: Anderson</td>
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<tr>
<td>6</td>
<td>Imperial College Business School</td>
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<tr>
<td>7</td>
<td>Insead</td>
</tr>
<tr>
<td>8</td>
<td>University of Texas at Austin: McCombs</td>
</tr>
<tr>
<td>9</td>
<td>University of Cambridge: Judge</td>
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<tr>
<td>10</td>
<td>University of Oxford: Said</td>
</tr>
</tbody>
</table>

## Top for finance

<table>
<thead>
<tr>
<th>Rank</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Iowa: Tippie</td>
</tr>
<tr>
<td>2</td>
<td>Columbia Business School</td>
</tr>
<tr>
<td>3</td>
<td>University of Pennsylvania: Wharton</td>
</tr>
<tr>
<td>4</td>
<td>University of Chicago: Booth</td>
</tr>
<tr>
<td>5</td>
<td>New York University: Stern</td>
</tr>
<tr>
<td>6</td>
<td>Macquarie Graduate School of Management</td>
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<tr>
<td>7</td>
<td>London Business School</td>
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<tr>
<td>8</td>
<td>Insead</td>
</tr>
<tr>
<td>9</td>
<td>University of Rochester: Simon</td>
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<tr>
<td>10</td>
<td>Rice University: Jones</td>
</tr>
</tbody>
</table>

## Top for general management

<table>
<thead>
<tr>
<th>Rank</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>University of Virginia: Darden</td>
</tr>
<tr>
<td>2</td>
<td>Harvard Business School</td>
</tr>
<tr>
<td>3</td>
<td>Dartmouth College: Tuck</td>
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<td>Insead Business School</td>
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<td>5</td>
<td>Stanford Graduate School of Business</td>
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<tr>
<td>6</td>
<td>Northwestern University: Kellogg</td>
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<tr>
<td>7</td>
<td>Lancaster University Management School</td>
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<tr>
<td>8</td>
<td>IBM, Ahmedabad</td>
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<tr>
<td>9</td>
<td>Queens University: Smith</td>
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<td>10</td>
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</tbody>
</table>

## Top for industrial/manufacturing/logistics

<table>
<thead>
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<tbody>
<tr>
<td>1</td>
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</tr>
<tr>
<td>2</td>
<td>MIT: Sloan</td>
</tr>
<tr>
<td>3</td>
<td>Michigan State University: Broad</td>
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<tr>
<td>4</td>
<td>Ohio State University: Fisher</td>
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<tr>
<td>5</td>
<td>University of Pittsburgh: Katz</td>
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<tr>
<td>6</td>
<td>Pennsylvania State University: Smeal</td>
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<tr>
<td>7</td>
<td>Georgia Institute of Technology: Scheller</td>
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<tr>
<td>8</td>
<td>Warwick Business School</td>
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<tr>
<td>9</td>
<td>University of Michigan: Ross</td>
</tr>
<tr>
<td>10</td>
<td>Shanghai Jiao Tong University: Antai</td>
</tr>
</tbody>
</table>

## Top for international business

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Leeds University Business School</td>
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<tr>
<td>2</td>
<td>Insead</td>
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<tr>
<td>3</td>
<td>Georgetown University: McDonough</td>
</tr>
<tr>
<td>4</td>
<td>Edhec Business School</td>
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<td>5</td>
<td>Lancaster University Management School</td>
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<td>University of St Gallen</td>
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<td>7</td>
<td>The Liubn MBA</td>
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<td>8</td>
<td>George Washington University</td>
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<td>London Business School</td>
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<td>University of Cambridge: Judge</td>
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## Top for IT/computing

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<td>3</td>
<td>MIT: Sloan</td>
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<tr>
<td>4</td>
<td>Stanford Graduate School of Business</td>
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<tr>
<td>5</td>
<td>Boston University: Questrom</td>
</tr>
<tr>
<td>6</td>
<td>University of California at Berkeley: Haas</td>
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<td>7</td>
<td>Shanghai Jiao Tong University: Antai</td>
</tr>
<tr>
<td>8</td>
<td>University of Maryland: Smith</td>
</tr>
<tr>
<td>9</td>
<td>University of Illinois at Urbana-Champaign</td>
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<tr>
<td>10</td>
<td>University of California at Irvine: Merage</td>
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</tbody>
</table>

## Top for law

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<thead>
<tr>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Yale School of Management</td>
</tr>
<tr>
<td>2</td>
<td>University of Hong Kong</td>
</tr>
<tr>
<td>3</td>
<td>University of San Diego SBA</td>
</tr>
<tr>
<td>4</td>
<td>New York University: Stern</td>
</tr>
<tr>
<td>5</td>
<td>University of Connecticut School of Business</td>
</tr>
<tr>
<td>6</td>
<td>Grenoble Graduate School of Business</td>
</tr>
<tr>
<td>7</td>
<td>University of Pennsylvania: Wharton</td>
</tr>
<tr>
<td>8</td>
<td>Edhec Business School</td>
</tr>
<tr>
<td>9</td>
<td>Washington University: Olin</td>
</tr>
<tr>
<td>10</td>
<td>Cornell University: Johnson</td>
</tr>
</tbody>
</table>

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*As rated by 2011 graduates*
January 13, 2015

Dr. Jarjis Sa-Aadu  
Chester A. Phillips Professor of Business Finance and Real Estate  
Henry B. Tippie College of Business  
The University of Iowa  
S272 John Pappajohn Business Building  
Iowa City, IA 52242-1994

Dear Jay:

I would like to express my support for the proposed Master of Science in Finance program. I believe the program will beneficial for the following reasons:

- The program will produce graduates with a capability set being sought by business. In particular, the quantitative skills and exposure to real life problems will be attractive to a wide range of firms.
- From our perspective at HNI, the program’s graduates would be a good fit for our finance teams working with complex analyses, such as product, M&A, and other strategic areas. There are areas where we sometimes struggle to find the right candidates.
- We have had success with our hires from the Master of Accountancy program. I believe this is because i) these sorts of programs attract high potentials and ii) the knowledge gained in the program is applicable to what we do. I would expect the Master of Science in Finance to produce similar results.
- I expect the program will make the Henry B. Tippie College of Business stronger, which is positive for HNI and other businesses located near Iowa City. The program appears to drive better resource utilization while providing a new and different revenue stream.

I look forward to seeing the program develop. Please do not hesitate to contact me if there is anything I can do to provide further assistance.

Regards,

Marshall Bridges  
Group Vice President, Finance  
HNI Contract Furniture Group
January 5, 2015

RE: Master of Science/Finance

To Whom It May Concern:

I write today in support of the newly proposed Master of Science in Finance proposed by the Tippie College of Business at the University of Iowa. Today’s world demands skilled training in many areas including finance. The Tippie program combines a rigorous curriculum with abundant opportunities for experiential learning. Tippie has a distinguished finance faculty and in my opinion they are proposing a well-researched and developed program. Integrating quantitative finance with real world experience is a tremendous opportunity for students.

I am hopeful the graduate college agrees with this proposal. Having spent 42 years in this industry a Master of Science in Finance from the Tippie School and the University of Iowa would be a valuable degree and through its recipients provide great service to our economy.

Respectfully submitted,

Jack B. Evans
President
January 5, 2015

Professor J. Sa-Aadu  
Henry B. Tippie College of Business  
University of Iowa  
108 John Pappajohn Business Building, S272 PBB  
Iowa City, IA 52242-1994

Dear J,

I have received the proposal to create a Master of Science degree in finance at the Tippie College of Business. I have studied and analyzed the proposal and find it to be sound and well thought out.

As a long-term stakeholder in the College and the finance department, I would like to convey my whole hearted support of the initiation of a program to offer the Master of Science degree in Finance.

Sincerely,

[Signature]

Curtis K. Lane  
Co-Founder & Co-Manager of  
The Concordant Fund

cc: Professor Anand Vijh  
Henry B. Tippie College of Business  
University of Iowa  
108 John Pappajohn Business Building, S286 PBB  
Iowa City, IA 52242-1994

Professor Artem Durney  
Henry B. Tippie College of Business  
University of Iowa  
108 John Pappajohn Business Building, S386 PBB  
Iowa City, IA 52242-1994
January 13, 2015

Dr. Jay Sa-Audu

S272, Pappajohn Business Bldg
Tippe College of Business
The University of Iowa,
Iowa City, IA 52242

Dear Professor Sa-Audu:

It is my pleasure to write a letter in support of the proposal for a Master of Science in Finance.

I have had the privilege of obtaining the high quality of instruction and training in Finance through the MBA program at Tippie and I am confident that this program will open the doors to the same education to many more students who don't necessarily want to go down the MBA route. The combination of theoretical learning in quantitative finance with practical and experiential work is the best way to impart education that employers find useful. The job market has a huge appetite for candidates that not only have a sound theoretical basis in Finance but also bring with proficiency in Advanced Excel, VBA and using Bloomberg.

I would support this program in any way I can. For example, my company can use the help from talented students in Finance to solve complex but well-defined problems and we can certainly partner with this program to do experiential learning projects. Such collaboration tends to be a win-win for the students and the company.

I would also be happy to come and present as a speaker or teach as an adjunct professor and help the students connect the theoretical concepts to practical applications. Taking away the certainty of good and/or complete data makes a lot of theory hard to put into practice and that is precisely what we want the students to learn to tackle.

In conclusion, I fully support the efforts of the Finance department in its endeavor to start the Master of Finance program at the earliest opportunity (as funding and practical matters of expediency allow). I remain at your service to facilitate my alma mater and especially the Finance department, in achieving this laudable goal. I am sure that this initiative will make the alumni, the students and the Finance community proud!

Sincerely,

[Signature]

Sridip Mukhopadhyaya, CFA, FRM, CPA, CMA
Manager – Portfolio Analytics
Allsteel, Inc. (HNI Corp.)
2210 2nd Ave.,
Muscatine, IA 52761
January 5, 2015

Mr. Jay Sa-Aadu
The University of Iowa, Henry B. Tippie College of Business
John Pappajohn Business Building, S272
Iowa City, Iowa 52242-1994

To Whom It May Concern:

Given the expanding complexity of global financial markets, there is more importance being placed on deep subject matter specialization within corporate and global financial institutions, even at the most junior ranks of organizations. Increasingly, many of Goldman Sachs’ new analysts (the most junior level position at the firm), enter our organization with more than one undergraduate major, generally a combination of Accounting, Finance or Economics, as well as numerous experiential learning experiences across multiple summer internships, student managed portfolios, study abroad programs.

Today in the earliest months and years of their career, our junior personnel, as well as junior personnel at our clients, increasingly deal will complex transactions such as capital market optimization modeling, cross-currency swaps, option pricing, deal-contingent hedges, and structured finance products to name a few. Those analysts that are more conversant in these topics are able to not only provide value added advice to our clients but also able to advance their career at an accelerated rate within our organization.

Further, given the advancement of financial structures and capital market theory over the last fifteen years, learning the basics of even a subset of capital market products is not feasible in an undergraduate degree program purely based on a lack of credit hours.

Thus, I see the envisioned Master of Science in Finance ("MSF") program filling an educational void by expanding the student’s financial knowledge, providing enhanced experiential learning opportunities and lastly better positioning the graduates for long-term career success beyond their early career years given the more well-rounded financial knowledge base they can leverage. Additionally, the MSF will also provide an avenue for undergraduates to pursue an advanced degree immediately after graduation as opposed to working for several years before pursuing an MBA when the opportunity cost and perceived benefit – given they already may be siloed within an organization – may have diminished.
Additionally, I see MSF graduates being highly complementary to Hawkinson Institute scholars in expanding the University of Iowa's recruiting pool for exceptionally talented finance students.

In terms of educational content, in my opinion the proposed curriculum adequately addresses the subject matter with a recommendation of enhancing the capital structure/fixed income curriculum – an often overlooked area but an area where jobs are plentiful – and the curriculum pertaining to the practical application of options, swaps and other derivative strategies (beyond simply understanding the pricing methodologies). Further, consideration could be given to pulling forward this content to the Spring semester and swapping with International Finance and/or Financial Econometrics to better prepare students for summer internship opportunities.

Regards

[Signature]

Todd Nelson, CFA, CPA  
Vice President, Investment Banking Division - Capital Markets  
Goldman Sachs & Company  
200 West Street; 7th Floor  
New York, NY 10282  
Phone: (212)902-9162  
Email: todd.nelson@gs.com