

ACTUARIAL SCIENCE 425 "INTERMEDIATE TOPICS IN FINANCE AND INVESTMENT"

Calendar Description: H(3-0)

Selected topics relevant to students with an interest in actuarial science, enterprise risk management, financial mathematics, etc. Topics include financial instruments; sources and cost of capital; portfolio selection; CAPM and alternatives; dividend policy; taxation; basic option pricing theory; stock valuation; measurement and assessment of financial performance; risk management.

Prerequisite: Actuarial Science 325 and Mathematics 323; or Actuarial Science 325 and completion of 10 FCE, with the permission of the Division.

Note: Students with credit for Finance 317 are not permitted to take this course without the permission of the Division.

Syllabus

An overview of selected finance and investment related topics that are relevant to students with an interest, or pursuing careers, in actuarial science, enterprise risk management, financial mathematics, and like areas. Topics include characteristics and uses of financial instruments; sources and cost of capital; portfolio selection; the capital asset pricing model and alternatives; dividend policy; taxation; basic option pricing theory and stock valuation; measurement and assessment of financial performance; risk management; financial analysis and planning.

This course is designed to satisfy the VEE-Corporate Finance requirement of the Society of Actuaries. The TOC is available here:

<http://www.mhhe.com/business/finance/bm>

<http://www.mhhe.com/business/finance/bm/toc.mhtml>

This course should cover Chapters 1 (and perhaps 2), 4-21, 28. It will probably be impossible to cover all of this material in the classroom in 36 lecture hours so the instructor will need to designate some of this material as reading assignments. Approximately 16 or 17 of the 20 chapters can probably be covered in class, so each chapter should warrant about 2 hours of classroom time.
