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28C00100 Corporate Finance (6 cr)

Responsible teacher: Bunyamin Önal

Status of the Course: Bachelor's programme, mandatory course of the Finance specialization area
Finance minor mandatory course

Level of the Course: Intermediate studies

Teaching period: I (fall 2018) Otaniemi campus I (fall 2019) Otaniemi campus

Workload: Classroom hours, 32 h

Class preparation, 36 h

Exercise & Case Study hours, 8 h

Exercise & Case Study preparation, 60 h

Exam preparation, 30 h

Exam, 3 h

Learning Outcomes: By the end of the course, the students will be able to show detailed understanding of the decisions facing the financial management of a business enterprise, such as payout policy, capital structure decisions, working capital management, and others.

Content: Corporate financing; dividend policy; capital structure; debt financing; financial planning; credit and cash management; mergers, acquisitions and corporate control. The assignments require fluency in the use of a spreadsheet program.

Assessment Methods and Criteria: 1. Lectures, Assistant Professor Bünyamin Önal

2. Exercises (50%), Assistant Professor Bünyamin Önal

3. Final exam (50%) based on the lectures, exercises, the textbook and other readings handed out in class.

Study Material:

Brealy, Myers & Allen (2014, 12 th edition) Principles of Corporate Finance. Earlier editions can also be used.

Availability

Other readings handed out in class.

Course Homepage: [MyCourses 28C00100 Corporate Finance](#)

Evaluation: 0-5

Registration for Courses:

Course registration via WebOodi. See the registration time in WebOodi.

For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

28C00200 Econometrics for Finance (6 cr)

Responsible teacher: Matthijs Lof

Status of the Course: Bachelor's programme, mandatory course of the Finance specialization area

Level of the Course: Intermediate studies

Teaching period: II (fall 2018) Otaniemi campus II (fall 2019) Otaniemi campus

Workload: Classroom hours, 24 h

Class preparation, 48 h

Preparing exercise sets, 50 h

Exam preparation, 37 h

Exam, 3 h

Learning Outcomes: By the end of the course, students will be familiar with basic econometric methods; be able to implement these methods using the R language (<http://www.r-project.org/>); know how to interpret statistical results correctly and draw appropriate conclusions.

Content: The course provides an introduction to the standard linear regression model, which is the core of econometrics. Topics include estimation by ordinary least squares (OLS), interpreting regression results, hypothesis testing, and misspecification issues. In addition to the standard regression model, we will look at event-study methodology, instrumental variables and panel data. This is an applied course, meaning that all topics will be illustrated by empirical examples related to investments and corporate finance using real data.

Assessment Methods and Criteria: Exercises (50%) and exam (50%)

Study Material: Readings, exercises, slides, and other materials will be provided by the lecturer.

Substitutes for Courses: 30C00200 Econometrics

31C01200 Taloustieteen empiiriset menetelmät

Course Homepage: [MyCourses 28C00200 Econometrics for Finance](#)

Prerequisites: Introduction to Statistics

Evaluation: 0-5

Registration for Courses:

Course registration via WebOodi. See the registration time in WebOodi.

The course is targeted to the students of Aalto Finance B.Sc. Programme and exchange students with Finance specialization at their home university. Maximum of 90 students will be accepted to the course.

For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

28C00800 Financial Markets and Institutions (6 cr)

Responsible teacher: Vesa Puttonen

Status of the Course: B.Sc., mandatory course of the Finance specialization area
Finance minor mandatory course

Financial Engineering minor, elective course

Level of the Course: Intermediate studies

Teaching period: II (Fall 2018) Otaniemi campus II (Fall 2019) Otaniemi campus

Workload: Lectures, 24 h

Class preparation, 12 h

Case and term paper preparation, 70 h

Exam preparation, 50 h

Exam, 3 h

Learning Outcomes: To provide a comprehensive view of financial markets and institutions as well as the developments during the recent financial crisis. By the end of the course, students will be familiar with the concepts of commercial banking, investment banking, central banking and shadow banking systems; pension funds; insurance companies and regulatory institutions. Students will understand the roots of the recent crisis and critically evaluate the advantages and disadvantages of the policy and regulatory reactions to the crisis.

Content: The course discusses commercial banking, investment banking, central banking, funds, insurance companies, and regulation.

Assessment Methods and Criteria: 1. Lectures

2. Final exam (50%), based on the books, lectures, and material distributed in lectures

3. Case (30%)

4. Term paper (20%)

Study Material: Material distributed by the lecturer. Supplementary material: Mishkin, F.S. and S.G. Eakins (2016): Financial Markets and Institutions Global Edition.

Course Homepage: [MyCourses 28C00800 Financial Markets and Institutions](#)

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 10 students of Financial Engineering minor will be admitted to the course based on the study success. For more information, please contact the coordinator of the Financial Engineering minor Kaila Ruth or see the Study Guide for Minor studies (SCI).

28C00300 Investment Management (6 cr)

Responsible teacher: Peter Nyberg

Status of the Course: Bachelor's programme, mandatory course of the Finance specialization area
Finance minor, mandatory course

Financial Engineering minor, elective course

Level of the Course: Intermediate studies

Teaching period: III (spring 2019) Otaniemi campus III (spring 2020) Otaniemi campus

Workload: Classroom hours 24 h

Exercise hours 24 h

Class preparation 22 h

Exercise preparation 50 h

Exam preparation 36 h

Exam 3 h

Learning Outcomes:

By the end of the course, students should be able to

- Demonstrate a familiarity with portfolio theory and equilibrium-based asset pricing models such as the CAPM.
- Evaluate the performance of an investment portfolio and understand the role that skill and luck play in observed investment outcomes.
- Demonstrate a familiarity with the theories and empirical studies of efficiency in major financial markets.
- Understand the role of systematic factors in the behavior of asset returns.
- Identify the behaviour of individual investors and systematic trading biases, as well as the implications on capital market efficiency.
- Communicate an investment strategy and trade according to the strategy.

Content: Portfolio theory, asset pricing models, market efficiency, portfolio management, factor investing and investor behavior.

Assessment Methods and Criteria: 1. Lectures 24 h, Assistant Professor Peter Nyberg

2. Exercises 24 h (25%), N.n.

3. Investment game (25%)

4. Exam (50%), based on all course material

Literature: BODIE, KANE & MARCUS (2014) *Investments*. ISBN 0-07-286178-9

Study Material: Bodie, Kane & Marcus (2014, 10th edition). *Investments*. Earlier editions can also be used. [Availability](#)

Course Homepage: [MyCourses 28C00300 Investment Management](#)

Prerequisites: Econometrics for Finance or corresponding knowledge of econometrics and statistics.

Evaluation: 0-5

Registration for Courses: Registration for course and exams via Weboodi. Further instructions on the course web page, instructions are also given on the first exercise session. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 10 students of Financial Engineering minor will be admitted to the course based on the study success. For more information, please contact the coordinator of the Financial Engineering minor Kaila Ruth or see the Study Guide for Minor studies (SCI).

28C00450 Derivatives and Fixed Income (6 cr)

Responsible teacher: Sean Shin

Status of the Course: Bachelor's programme, mandatory course of the Finance specialization area

Level of the Course: Intermediate studies

Teaching period: IV (Spring 2019) Otaniemi campus IV (Spring 2020) Otaniemi campus

Workload: Classroom hours 24 h

Exercise hours 12 h

Class preparation 34 h

Exercise preparation 50 h

Exam preparation 36 h

Exam 3 h

Learning Outcomes: By the end of the course students will be able to show detailed understanding of the derivatives markets, the instruments and the principles of risk management. The course reflects both theory and practice and it covers diverse areas such as equity, index, foreign currency, commodity and fixed income derivatives.

Content: Main topics are arbitrage, binomial models, Black & Scholes model, extensions to Black & Scholes model, interest rate derivatives, exotic options, and issues in risk management.

Assessment Methods and Criteria: 1. Lectures, 24 h

2. Exercises and cases (30%), 12 h

3. Written examination (70%). The examination will be based on the lectures, handouts and the course literature.

Study Material:

John C. Hull: Options, Futures and Other Derivatives, latest edition

Brealey, Myers and Allen, Principles of Corporate Finance, latest edition

Availability

Other material distributed by the lecturer.

Course Homepage: MyCourses

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

28C00500 Capstone: Valuation (6cr)

Responsible teacher: Elias Rantapuska

Status of the Course: Bachelor's programme, mandatory course of the Finance specialization area

Level of the Course: Intermediate studies

Teaching period: IV (Spring 2019) Otaniemi campus IV (Spring 2020) Otaniemi campus

Workload: Lectures, student-led case sessions, and group valuation project presentation 37 h

Independent work 122 h

Exam 3 h

Learning Outcomes: After completing this course a student should understand how corporate strategy and operations are linked to corporate valuation, how to select the right valuation model for the task at hand, how to standardize financial statements, forecast financial statements in a spreadsheet program, and perform actual valuation. The student should also be able to fluently interpret, discuss, present, and understand the limitations of valuation results for strategic decision making.

Content: Basic concepts of valuation, corporate strategy and operations as a source of value, interpreting and standardizing financial statements, forecasting financial statements, valuation models, empirical issues and special cases in valuation. Case exercises apply all of this knowledge to real-life valuation cases.

Assessment Methods and Criteria: Cases and presentation of a case (35%)

Final valuation group project and its presentation (35%)

Exam (30%)

Study Material:

Palepu Krishna G., Paul M. Healy and Erik Peek (2016) Business Analysis and Valuation – 4th, IFRS edition. ISBN-10: 1473722659 (Textbook, required reading)

Pinto Jerald E., Elaine Henry, Thomas R. Robinson and John D. Stowe (2015) Equity Asset Valuation, 3rd edition. ISBN: 978-1-119-10426-1 (Professional reference handbook, recommended reading)

[Availability](#)

Course Homepage: [MyCourses 28C00500 Capstone: Valuation](#)

Prerequisites: Introduction to Accounting, Introduction to Finance, Corporate Finance, Financial Markets and Institutions, Investment Management, and intermediate spreadsheet skills. Students may find it helpful to make this the last or almost last course of their B.Sc. degree. Aalto University or exchange students with less than three courses completed in finance are strongly discouraged from enrolling, although can do so at their own risk.

Evaluation: 0-5

Registration for Courses: Registration for course and exams via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: Students of Aalto Finance B.Sc. Programme and exchange students with Finance specialization at their home university will be admitted to the course. All admitted students must have completed the above mentioned pre-requisites to be able to fluently complete the course. Maximum of 75 students will be accepted to the course. Late registration may not be possible so make sure to register in time.

28E00300 Advanced Investment Theory (6 cr)

Responsible teacher: Matti Suominen

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period: V (2018-2019, spring 2019) Otaniemi campus Not lectured 2019-2020

Workload: Lectures 24 h

Class preparation 48 h

Exercise preparation 50 h

Exam preparation 36 h

Exam 4 h

Learning Outcomes: By the end of the course the students will be able show detailed understanding of asset pricing models and the theory of financial markets under perfect and under imperfect information.

Content: Financial markets under perfect information: risk aversion and portfolio choice. Dynamic hedging and pricing of redundant assets. Financial markets under imperfect information: supply and demand for risky assets under imperfect information. Liquidity provision in financial markets. The course looks at the modern theory of financial markets and the empirical evidence related to the phenomena discussed.

Assessment Methods and Criteria: 1. Lectures 24 h, Professor Matti Suominen

2. Exercises

3. Final exam (100%), or alternatively an extensive individual project

Study Material: Material provided by the lecturer

Course Homepage: [MyCourses 28E00300 Advanced Investment Theory](#)

Prerequisites: Investment Management

The course is an advanced level course for M.Sc. students.

Evaluation: 0-5

Registration for Courses: Course registration via WebOodi. See the registration time in WebOodi.

For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information:

A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities

2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)

3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

28E00900 Fixed Income (6 cr)

Responsible teacher: Antti Suhonen

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period: IV (spring 2019) Otaniemi campus IV (spring 2020) Otaniemi campus

Learning Outcomes: The objective of the course is to give students the key tools for analyzing, valuing and risk managing fixed income securities and derivatives, understanding the practical applications of such concepts, and being able to study current issues in the fixed income markets. The course will be useful to students interested in careers in banking, financial services, investment management, corporate financial management, or in the academia.

Content: Topics discussed include the global fixed income market structure, valuation of key instruments traded in both government bond and credit markets including derivatives such as options, futures, swaps and structured products, interest rate risk management and modelling as well as the impact of macroeconomic events on fixed income markets. The course will cover theoretical models and concepts as well as practical applications and analysis.

Assessment Methods and Criteria:

Final exam (50%)

Assignments and cases (50%)

Study Material: Tuckman, Serrat (2012) Fixed Income Securities: Tools for Today's Markets, 3rd edition. [Availability](#)

Course Homepage: [MyCourses 28E00900 Fixed Income](#)

Evaluation: 0-5

Registration for Courses: Course registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.
- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

28E29000 Advanced Corporate Finance (6 cr)

Responsible teacher: Assistant Professor Petri Jylhä

Status of the Course: M.Sc., Master's Programme in Finance, elective
CEMS course

Level of the Course: Advanced studies

Teaching period: I (fall 2018) Töölö campus I (fall 2019) Otaniemi campus

Workload: Contact teaching, 34 h

Independent study, 125 h

Exam, 3 h

Learning Outcomes: By the end of this course, the students will have a strong understanding of the theoretical foundations of modern corporate finance. The course will address asymmetric information problems in companies' financing decisions and governance, and discuss various solutions to these problems. The course emphasizes both theoretical modelling of agency problems and the practical implications and solutions to those problems. After completing this course, the student will have the skills to analyse and solve complicated problems in corporate finance in a structured and analytical manner.

Content: Asymmetric information; moral hazard: financing constraints, over-borrowing, debt overhang, asset substitution; adverse selection: over and under-investment; price reactions to financial decisions; signaling; corporate governance: executive compensation; monitoring; shareholder activism.

Assessment Methods and Criteria: 1. Lectures, assistant professor Petri Jylhä

2. Assignments (50%), Petri Jylhä

3. Final exam (50%)

Study Material: Lecture notes, academic articles, and textbook: Jean Tirole, Theory of Corporate Finance (2006).

Course Homepage: [MyCourses 28E29000 Advanced Corporate Finance](#)

Prerequisites: Corporate Finance (28C00100). The course is an advanced level course for MSc students.

Evaluation: 0-5

Registration for Courses: Course registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities

2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)

3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

28E33000 Capstone: Mergers and Acquisitions for Finance (6 cr)

Responsible teacher: Sami Torstila

Status of the Course: M.Sc., Master's Programme in Finance, mandatory course

Level of the Course: Advanced studies

Teaching period: II (fall 2018) Töölö campus II (fall 2019) Otaniemi campus

Workload: Classroom hours 21 h

Class preparation, 24 h

Case preparation 75 h

Exam preparation, 40 h

Exam, 3 h

Learning Outcomes: By the end of the course students will be able to work with mergers and acquisitions in a way that utilizes both academic research findings and corporate best practice.

Content: The course includes up-to-date information on academic research, corporate practice, and financial modelling relating to mergers and acquisitions. Having completed a valuation course is a prerequisite for this course, and allows us to spend more time on other aspects of financial modeling, such as LBO models. The focus is on financial aspects of mergers and acquisitions, but strategic, legal, and other considerations are covered in specific lectures. The course is planned to be of help to students interested in investment banking or management consulting careers.

Assessment Methods and Criteria: 1. Lectures, Assoc. Prof. Sami Torstila.

2. Cases and exercises (50%).

3. Final exam (50%), based on the material distributed in lectures.

Study Material: Reading list distributed in lectures.

Substitutes for Courses: M.Sc. students in Finance have the possibility to replace Capstone: M&A with 57E00700 Capstone DigitalISM Challenge.

Course Homepage: [MyCourses 28E33000 Capstone: Mergers and Acquisitions for Finance](#)

Prerequisites: The course is an advanced level M.Sc. course. It is intended for M.Sc. students in Finance (from Aalto or other universities) who have previously taken the BSc Valuation class or its equivalent. Other students should take the course 28E35300 Mergers and Acquisitions, which has no prerequisites and treats valuation from first principles.

Evaluation: 0-5

Registration for Courses: Via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information:

A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining. Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
2. Finance M.Sc. exchange students from other universities, who have previously taken the BSc Valuation class or its equivalent.

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

For any registration related matter, please contact the department study coordinator.

28E34200 International Financial Management (6 cr)

Responsible teacher: Elias Rantapuska

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period: IV (Spring 2019) Otaniemi campus Not lectured 2019-2020

Workload: Lectures, exercise sessions, and student presentations 32 h

Individual work 128 h

Exam, 2 h

Learning Outcomes: To familiarize students with key concepts in international financial management. After completing this course, students should be equipped with theory and practice to structure, solve and communicate recommendations to challenges faced by multinational corporations.

Content: The course will focus on the main challenges faced today by multinational corporations. The course consists of four parts:

International financial environment

International corporate risk management

International capital sourcing and capital budgeting

Project finance

Assessment Methods and Criteria: Exam (30%)

Online quizzes and in-class quizzes (30%)

Cases and their presentation (40%)

Study Material:

Eiteman, David K., Stonehill, Arthur I. & Moffett, Michael H. (2016) Multinational Business Finance, 14th edition. ISBN-10 1-292-09787-6, selected chapters. 12th and 13th editions can also be used.

[Availability](#)

Additional reading, case and exercise material provided by the responsible teacher and guest lecturers.

Course Homepage: [MyCourses 28E34200 International Financial Management](#)

Prerequisites: Principles of Economics / Taloustieteen perusteet

Introduction to Finance / Rahoituksen perusteet

Corporate Finance

Derivatives and Risk Management / Derivatives and Fixed Income

The course is an advanced level course for M.Sc. students.

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 50 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities

2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)

3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

28E34700 Advanced Econometrics for Finance (6 cr)

Responsible teacher: Matthijs Lof

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period:

II (fall 2018) Töölö campus

II (fall 2019) Otaniemi campus

Workload: Classroom hours, 24 h

Class preparation, 48 h

Preparing exercise sets, 50 h

Exam preparation, 37 h

Exam, 3 h

Learning Outcomes: By the end of the course, students will be familiar with various econometric methods for analyzing financial data; be able to implement these methods using the R language (<http://www.r-project.org/>); know how to interpret statistical results correctly and draw appropriate conclusions; be able to critically evaluate empirical academic research in finance.

Content: The course starts with a short review of the linear regression model. Students are expected to be already familiar with these concepts. The remainder of the course will cover topics in empirical finance research. These topics include methods to deal with endogeneity in corporate finance (e.g. instrumental variables, differences-in-differences), tools for time series analysis and forecasting (e.g. AR and VAR models, predictive regressions, out-of-sample forecasting), and modelling market volatility (e.g. GARCH, realized volatility). All topics will be illustrated by financial applications, including stock return predictability, empirical testing of the CAPM and other asset pricing models, and Value-at-Risk.

Assessment Methods and Criteria: Exercises (50%) and exam (50%)

Study Material: Course material will be provided by the lecturer.

Course Homepage: [MyCourses 28E34700 Advanced Econometrics for Finance](#)

Prerequisites: Econometrics for Finance (28C00200), Econometrics (30C00200), or equivalent

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

28E35100 Corporate Financial Management (6 cr)

Responsible teacher: Assistant Professor Petri Jylhä

Status of the Course: CEMS Global Management Finance track, mandatory course

Strategy, mandatory course

CEMS MIM, elective course

Strategy and Venturing (IEM), elective course

Financial Engineering minor, elective course

Level of the Course: Advanced studies

Teaching period: I (fall 2018) Töölö campus I (fall 2019) Otaniemi campus

Workload: Contact teaching, 24 h

Independent study, 135 h

Exam, 3 h

Learning Outcomes: This course introduces the fundamental tools used in corporate financial decision making. After completing this course, the students have the skills and knowledge to select and effectively apply techniques for valuing firms and comparing investment opportunities, evaluate possible methods of raising capital, evaluate the optimal capital structure of the firm, and understand the functioning of financial markets and how the market prices of financial assets relate to the cost of capital of firms.

Content: Measuring cash-flows of investments; measuring riskiness of investments; valuation of investments; choosing among investment opportunities; optimising capital structure; returning cash to investors.

Assessment Methods and Criteria: 1. Lectures, assistant professor Petri Jylhä

2. Class participation (10%)

2. Assignments (40%)

3. Final exam (50%)

Study Material: Lecture notes and case studies provided by the lecturer.

Recommended supplementary readings: Berk and DeMarzo, Corporate Finance (2016); or Welch, Corporate Finance: An Introduction (2009). [Availability](#)

Course Homepage: [MyCourses 28E35100 Corporate Financial Management](#)

Prerequisites: None

Evaluation: 0-5

Registration for Courses: Course registration via WebOodi. See the registration time in WebOodi.

For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information:

A maximum of 70 students can be accepted to the course.

Seats are prioritized as follows, in the order of registration in WebOodi within one category:

- CEMS Global Management Finance track

- Aalto M.Sc. Strategy

- Other CEMS students

- Aalto M.Sc. Strategy and Venturing, IEM (10)

- Financial Engineering minor students (5)*

- M.Sc. level exchange students from other universities without previous finance studies

- All other M.Sc. students at BIZ without previous finance studies

Please follow carefully the registration deadlines of the courses and exams!

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

*A maximum of 5 students of Financial Engineering minor will be admitted to the course based on the study success. For more information, please contact the coordinator of the Financial Engineering minor Kaila Ruth or see the Study Guide for Minor studies (SCI).

28E35200 Applied Econometrics (6 cr)

Responsible teacher: Matthijs Lof

Status of the Course: CEMS Global Management Finance track, mandatory course

Level of the Course: Advanced studies

Teaching period: II (fall 2018) Otaniemi campus II (fall 2019) Otaniemi campus

Workload: Classroom hours, 24 h

Class preparation, 48 h

Preparing exercise sets, 50 h

Exam preparation, 37 h

Exam, 3 h

Learning Outcomes: By the end of the course, students will be familiar with basic econometric methods; be able to implement these methods using the R language (<http://www.r-project.org/>); know how to interpret statistical results correctly and draw appropriate conclusions.

Content: The course provides an introduction to the standard linear regression model, which is the core of econometrics. Topics include estimation by ordinary least squares (OLS), interpreting regression results, hypothesis testing, and misspecification issues. In addition to the standard regression model, we will look at event-study methodology, instrumental variables and panel data. This is an applied course, meaning that all topics will be illustrated by empirical examples related to investments and corporate finance using real data.

Assessment Methods and Criteria: Exercises (35%), exam (35%) and term paper (30%) The course consists of two parts: Completing the course 28C00200 Econometrics for Finance and term paper.

The final grade will be registered with the course code 28E35200 Applied Econometrics.

Study Material: Readings, exercises, slides, and other materials will be provided by the lecturer.

Course Homepage: MyCourses 28C00200 Econometrics for Finance

Prerequisites: Introduction to Statistics

Evaluation: 0-5

Registration for Courses:

In order to complete the course 28E35200 Applied Econometrics, please register to the course and exam via WebOodi by using course code 28C00200 Econometrics for Finance.

After registering to the course 28C00200 Econometrics for Finance, please inform the teacher Matthijs Lof that you will be completing 28E35200 Applied Econometrics and you will then receive the instructions for the term paper.

See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information: The course is targeted ONLY for the Global Management Finance track students.

For any registration related matter, please contact the department study coordinator.

28E35300 Mergers and Acquisitions (6 cr)

Responsible teacher: Sami Torstila

Status of the Course: M.Sc. elective course organized by Finance programme CEMS course, Exchange students (not majoring in Finance at their home university)
Students of M.Sc. programmes at School of Business

Level of the Course: Advanced studies

Teaching period: II (fall 2018) Töölö campus II (fall 2019) Otaniemi campus

Workload: Classroom hours 21 h

Class preparation, 24 h

Case preparation 75 h

Exam preparation, 40 h

Exam, 3 h

Learning Outcomes: By the end of the course students will be able to work with mergers and acquisitions in a way that utilizes both academic research findings and corporate best practice.

Content: The course includes up-to-date information on corporate practice relating to mergers and acquisitions and valuation work. No background in valuation is presupposed, so the course will address valuation from first principles. The focus of the course is on financial aspects of mergers and acquisitions, but strategic, legal, and other considerations are covered in specific lectures. The course is planned to be of help to students interested in management consulting, general management, or entrepreneurial careers.

Assessment Methods and Criteria: 1. Lectures, Assoc. Prof. Sami Torstila.

2. Cases and exercises (50%).

3. Final exam (50%), based on the material distributed in lectures.

Study Material: Reading list distributed in lectures.

Course Homepage: <https://mycourses.aalto.fi/course/search.php?search=28E35300>

Prerequisites:

The course is an advanced level M.Sc. course. It is intended for CEMS students, exchange students and other M.Sc. programme students at BIZ. There are no prerequisites.

Students who are in the MSc Finance program at Aalto (or similar Finance programs at other universities) should take the course 28E33000 Capstone: Mergers and Acquisitions for Finance majors, which has valuation skills as a prerequisite.

However, if a student has not completed B.Sc. degree in Finance specialization area at Aalto University and has not completed B.Sc. Capstone Valuation course or its equivalent, it is recommended to complete 28E35300 Mergers and Acquisitions.

Evaluation: 0-5

Registration for Courses: Via WebOodi. See the registration time in WebOodi. For any registration related matter, please contact the department study coordinator.

Language of Instruction: English

Further Information:

A maximum of 50 students can be accepted to the course.

CEMS students are prioritized and guaranteed a place in the course.

Remaining seats are given in the order of registration to all other M.Sc. students at BIZ and to exchange students.

28E35400 Applied Derivatives (6 cr)

Responsible teacher: Katja Ahoniemi

Status of the Course: MSc Finance elective

Level of the Course: Advanced

Teaching period: V (Spring 2019) Otaniemi campus V (Spring 2020) Otaniemi campus

Workload: Contact teaching 34h

Independent work 125h

Exam 3h

Learning Outcomes: By the end of the course students will be able to show detailed understanding of the pricing of various types of derivative instruments. Students will understand how corporations use derivatives in practice to hedge financial risks, the concept of credit risk and credit derivatives, the concept of implied volatility, and how volatility can be modeled.

Content: Derivatives pricing, risk management, credit risk and credit derivatives, volatility modeling

Assessment Methods and Criteria: 50% exam

50% assignments

Study Material: Lecture notes, exercises, cases, academic articles, and textbook: John C. Hull:

Options, Futures and Other Derivatives, 10th edition

Prerequisites: Derivatives and Risk Management, or Derivatives and Fixed Income, or another introductory course in derivatives

Evaluation: 0-5

Registration for Courses: Via WebOodi

Language of Instruction: English

Further Information:

A maximum of 70 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be guaranteed a seat on Finance M.Sc. courses. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

- CEMS students are similarly guaranteed a seat for Finance M.Sc. courses, which have been designated as CEMS courses.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other BIZ M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.

28E35500 Private Equity Investment (6 cr)

Responsible teacher: Rohit Sonika

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period: III (spring 2019) Töölö campus III (spring 2020) Otaniemi campus

Learning Outcomes: The main objective is to familiarize students to the private equity (buyout, mezzanine and distressed) landscape and different parties involved in the investment process. More specifically, students will be expected to achieve the following objectives:

1. Familiarize with the different structures, features, terminologies and valuation models used in private equity
2. Engage with specific due-diligence procedures of institutions and private equity funds in investment process
3. Examine the landscape of private equity, role of gatekeepers and importance of secondary markets
4. Quantitatively and qualitatively evaluate deal-specific information and demonstrate an understanding of material through intuitive solutions to cases
5. Understanding how post-deal improvements are operationalized and steps in exiting a private equity investment

Content: The course starts with an introduction to private equity investment, the role of different parties involved in this investment and how the investment flow occurs. Institutions (called limited partners, or LPs) that provide capital play an important role in the process, which leads us to examine

their organization and structure, due-diligence process and involvement with private equity funds. We also lay some attention on intermediaries (called gatekeepers) that enable private equity investment, and the significance of secondary market for private equity. However, the main focus of the course is on understanding individual deals, i.e., an investment by a PE fund into a portfolio company, including the valuation of the deal, the structure of the investment, and the various implications and practicalities of the deal for all participants in the deal. We conclude the course by studying how PE funds strategize their exit from portfolio companies.

Assessment Methods and Criteria: Class Participation, Assignments and Presentations

Study Material: Material provided by the lecturer

Course Homepage: [MyCourses](#)

Prerequisites: Corporate Finance and a basic understanding of Statistics and Econometrics

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. For any registration related matter, please contact the department's study coordinator.

Language of Instruction: English

Further Information:

A maximum of 40 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be prioritized for a seat on Finance M.Sc. courses, as long as the maximum course capacity has not been breached. If more than 40 Finance M.Sc. students sign-up, students close to degree completion will be prioritized. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

28E35500 Private Equity Investment (6 cr)

Responsible teacher: Rohit Sonika

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced studies

Teaching period: III (spring 2019) Töölö campus III (spring 2020) Otaniemi campus

Learning Outcomes: The main objective is to familiarize students to the private equity (buyout, mezzanine and distressed) landscape and different parties involved in the investment process. More specifically, students will be expected to achieve the following objectives:

1. Familiarize with the different structures, features, terminologies and valuation models used in private equity
2. Engage with specific due-diligence procedures of institutions and private equity funds in investment process
3. Examine the landscape of private equity, role of gatekeepers and importance of secondary markets
4. Quantitatively and qualitatively evaluate deal-specific information and demonstrate an understanding of material through intuitive solutions to cases
5. Understanding how post-deal improvements are operationalized and steps in exiting a private equity investment

Content: The course starts with an introduction to private equity investment, the role of different parties involved in this investment and how the investment flow occurs. Institutions (called limited partners, or LPs) that provide capital play an important role in the process, which leads us to examine their organization and structure, due-diligence process and involvement with private equity funds. We also lay some attention on intermediaries (called gatekeepers) that enable private equity investment, and the significance of secondary market for private equity. However, the main focus of the course is on understanding individual deals, i.e., an investment by a PE fund into a portfolio company, including the valuation of the deal, the structure of the investment, and the various implications and practicalities of the deal for all participants in the deal. We conclude the course by studying how PE funds strategize their exit from portfolio companies.

Assessment Methods and Criteria: Class Participation, Assignments and Presentations

Study Material: Material provided by the lecturer

Course Homepage: [MyCourses](#)

Prerequisites: Corporate Finance and a basic understanding of Statistics and Econometrics

Evaluation: 0-5

Registration for Courses: Course and exam registration via WebOodi. For any registration related matter, please contact the department's study coordinator.

Language of Instruction: English

Further Information:

A maximum of 40 students can be accepted to the course.

- Students at Aalto Finance M.Sc. programme (i.e. who have graduated as B.Sc.) will be prioritized for a seat on Finance M.Sc. courses, as long as the maximum course capacity has not been breached. If more than 40 Finance M.Sc. students sign-up, students close to degree completion will be prioritized. Finance M.Sc. students re-taking the course (grade already registered in WebOodi) will not be prioritized and can participate only if there are places remaining.

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

28E35600 Quantitative Finance (6 cr)

Responsible teacher: Sean Shin

Status of the Course: M.Sc., Master's Programme in Finance, elective

Level of the Course: Advanced course

Teaching period: IV (Spring 2019) Otaniemi campus IV (Spring 2020) Otaniemi campus

Workload: Classroom hours 24h

Class preparation 40h

Assignments/projects 60h

Preparing Exam 34h

Exam 2h Total 160h (6 op)

Learning Outcomes: By the end of the course students, students will be familiar with basic quantitative methods used for analyzing financial data; be able to implement those skills in the context of potential applications for portfolio construction using a programming language.

Content: This course covers basic quantitative skills for analyzing financial data. This course also reviews basic academic papers related to empirical topics, such as behaviors of securities prices relative to the benchmark asset pricing models.

Details of assignments will be provided by the lecturer through MyCourses.

Assessment Methods and Criteria: The final grade (0 – 5 scale) is based on total points (max 100 points); combining assignments (50 %) and exam (50 %) points. To pass the course, you have to get at least 40% of exam points, i.e. 20 points. Conditional on that, your final grade is based on the following scale:

$90 \leq x \leq 100$: Final grade = 5

$80 \leq x < 90$: Final grade = 4

$70 \leq x < 80$: Final grade = 3

$60 \leq x < 70$: Final grade = 2

$50 \leq x < 60$: Final grade = 1

$0 \leq x < 50$: Final grade = 0, Fail

Study Material: Readings, slides, and other materials will be provided by the lecturer through MyCourses.

Prerequisites: Investment Management (28C00300) and Econometrics for Finance (28C00200), or equivalent courses.

Evaluation: 0-5

Registration for Courses: The course registration is done via WebOodi and closes always 7 days before the first lecture/ start of the teaching period. The study coordinator will check the registrations first and then discuss with the lecturer and provide the lists. We have student quotas for our M.Sc. level courses and we use prioritization list.

Language of Instruction: English

Further Information: A maximum of 40 students can be accepted to the course.

First priority are Finance M.Sc. programme students (i.e. who have graduated as B.Sc.) and CEMS students (those courses that have been designated as CEMS courses).

Remaining seats are prioritized as follows, in the order of registration in WebOodi within one category:

1. Finance M.Sc. exchange students from other universities
2. Aalto Finance B.Sc. students with a finished B.Sc. thesis (registered in transcript of records)
3. All other M.Sc. students

Please follow carefully the registration deadlines of the courses and exams! Missing registration deadline automatically foregoes a guaranteed seat for Finance M.Sc. courses and puts prospective student at the bottom of the prioritization list.

Students may be required to confirm their registration by signing the participation list circulated during the first lecture.