

FINANCIAL ECONOMICS CERTIFICATE

To earn the Financial Economics Certificate, students admitted to the Kellogg Certificate Program for Undergraduates must complete KELLG_FE 310-0 Principles of Finance and three additional KELLG_FE courses, for a total of 4 financial economics certificate courses. Excluding KELLG_FE 310-0 Principles of Finance, one KELLG_FE course is taught each quarter (Fall, Winter, Spring). Each KELLG_FE course is taught once per year.

The 2021-22 Financial Economics curriculum comprises the following four courses:

Course	Title
KELLG_FE 310-0	Principles of Finance (must be completed in Spring Quarter of the year admitted)
KELLG_FE 312-0	Investments
KELLG_FE 314-0	Derivatives
KELLG_FE 316-0	Topics in Financial Economics

KELLG_FE 310-0 Principles of Finance (1 Unit) Foundation course for the certificate. Basic principles of finance, focusing on the effects of time and uncertainty on value. First half emphasizes valuation, including discounted cash flows, equity and debt valuation, the term structure of interest rates, portfolio theory, asset pricing, and efficient market theory. Second half examines firms' financing decisions, including capital budgeting, capital structure, and payout policy.

KELLG_FE 312-0 Investments (1 Unit) Active portfolio strategies in bonds and stocks, optimal portfolio selection from the perspective of individual and institutional investors, and the role of style and performance benchmarks in portfolio management. Performance evaluation, trading costs, and other special topics.

KELLG_FE 314-0 Derivatives (1 Unit) Use and pricing of forwards and futures, swaps, and options. Strategies for speculation and risk management, no-arbitrage pricing for forward contracts, binomial and Black-Scholes option pricing models, applications of pricing models in other contexts.

KELLG_FE 316-0 Topics in Financial Economics (1 Unit) In-depth examination of selected issues in finance.