

FINANCE

Undergraduate Program Information

Finance is the management of money and cash flow for business organizations, government and individuals. The study of finance involves examining the theory and techniques of managing money, including analysis and management of risk. Finance students learn to apply tools and concepts from mathematics, statistics, economics and accounting to financial decision-making. With this knowledge, finance graduates are in high demand by employers and command some of the highest salaries for college graduates. Depending upon their career goals and interests, finance majors may use the electives in the major to focus their program of study on financial management, personal financial planning, investments, banking, entrepreneurial finance, and/or risk management and insurance.

Degrees for the Department

- Finance (Banking and Financial Planning) - Bachelor of Business Administration (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-banking-financial-planning-bachelor-business-administration/>)
- Finance (Entrepreneurial Finance) - Bachelor of Business Administration (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-entrepreneurial-finance-bachelor-business-administration/>)
- Finance (Financial Analyst) - Bachelor of Business Administration (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-financial-analyst-bachelor-business-administration/>)
- Finance (Risk Management and Insurance) - Bachelor of Business Administration (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-risk-management-insurance-bachelor-business-administration/>)
- Finance - Bachelor of Business Administration (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-bachelor-business-administration/>)

Minors

Entrepreneurship and Innovation, Finance, and Risk Management & Insurance minors, can only be earned by non-finance majors. The Business Law minor is open to all majors.

- Business Law - Undergraduate Minor (<https://catalogs.nmsu.edu/nmsu/business/finance/business-law-undergraduate-minor/>)
- Entrepreneurship and Innovation (Business Cluster) - Undergraduate Minor (<https://catalogs.nmsu.edu/nmsu/business/finance/entrepreneurship-innovation-undergraduate-minor/>)
- Finance - Undergraduate Minor (<https://catalogs.nmsu.edu/nmsu/business/finance/finance-undergraduate-minor/>)
- Risk Management and Insurance - Undergraduate Minor (<https://catalogs.nmsu.edu/nmsu/business/finance/risk-management-insurance-undergraduate-minor/>)
- Finance - Graduate Certificate (<https://catalogs.nmsu.edu/nmsu/graduate-school/finance-graduate-certificate/>)

Paula Groves, College Associate Professor, Interim Department Head

Professors de Boyrie, Sankaran; **Associate Professor** Rahman;
Assistant Professor Yildirim; **College Professors** James, Kealy; **College**

Associate Professor Groves; **College Assistant Professor** Kerr; **Emeritus Professors** Fortin, Martin, Oretskin, Query

Business Finance Courses

BFIN 2110. Introduction to Finance

3 Credits (3)

Introduces tools and techniques of financial management. Includes time value of money; financial planning, diversification and risk; debt and equity investment decisions; and financial statement analysis.

Prerequisite(s): OATS 106 or higher; OATS 120 or ACCT 2110; ECON 1110G or ECON 2110G.

Learning Outcomes

1. Explain the time value of money and its application in decision-making, including calculating present and future values of single payment and series of payments.
2. Identify the major sources of external long-term financing for corporations.
3. Explain risk-return tradeoff as it relates to diversification.
4. Differentiate the role of finance from other related disciplines such as accounting and economics.
5. Demonstrate knowledge of capital markets and securities (debt and equity).
6. Describe basic types of financial ratios and their uses.
7. Demonstrate the ability to prepare cash flows and make qualitative judgments on the relevance of the changes from one time frame to another.

BFIN 303V. Personal Financial Planning and Investing in a Global Economy

3 Credits (3)

Provides a framework for successful personal financial planning within an individual's career and income. Covers personal money management, federal and state taxation, the mathematics of finance and credit, housing, inflation, insurance, savings, and investments. Majors and minors may not use this course to satisfy their finance requirements.

BFIN 311. Financial Futures Markets

3 Credits (3)

Same as AEEC 311.

BFIN 322. Principles of Insurance

3 Credits (3)

Theory and practice of insurance and its economics and social significance; review of the major lines of insurance including life, health, and property liability insurance.

BFIN 323. Life/Health/Employee Benefits

3 Credits (3)

Approaches to problems of employee security from the perspective of businesses. Topics including pensions, profit-sharing plans, 401(k) plans, group life and health plans, and flexible benefit programs. The course also addresses individual life, health, and annuity contracts within a financial planning context. May be repeated up to 3 credits.

Prerequisite/Corequisite: BFIN 322.

Learning Outcomes

1. Understand the various types of life insurance and annuity contracts and their uses.
2. Know how life and health insurers are regulated.
3. Analyze the insurance marketplace and health care reform.
4. Review contractual provisions of life insurance policies.

5. Understand how human life value is determined.
6. Calculate life contingencies and pricing of life and health insurance.

BFIN 324. Property and Liability Insurance**3 Credits (3)**

Analysis of property and liability insurance with emphasis on handling of commercial exposures. Review of property and liability company operations including rate making and insurance accounting. May be repeated up to 3 credits.

Prerequisite/Corequisite: BFIN 322.

Learning Outcomes

1. Determine if an insurance policy covers an insurance claim.
2. Calculate the amount payable for an insurance claim.
3. Choose the insurance needed for a given situation.
4. Define frequently used insurance terms and acronyms.
5. Explain the responsibility of the various insurance functions.

BFIN 325. Real Estate Principles and Law I**3 Credits (3)**

Real estate law and the fundamental aspects of the real estate purchase transaction and the real estate lease agreement. Topics include real estate brokerage, marketing of real estate, fundamental legal aspects of real estate, present and future interests, air and water rights, methods of transfer, basics of financing and liens, and real estate leases. Same as BLAW 325.

BFIN 326. Business Risk Management**3 Credits (3)**

The operational risks faced by firms and the study of various methods of handling these risks, including loss prevention, risk retention, self-insurance, corporate insurance programs, and capital markets. May be repeated up to 3 credits.

Prerequisite/Corequisite: BFIN 322.

Learning Outcomes

1. Develop an understanding of risk management and its basic concepts.
2. Discuss alternative approaches to risk management and develop the knowledge to analyze the features and benefits of enterprise risk management.
3. Gain knowledge regarding risk assessments and the fundamental requirements for a successful risk management program through risk classification and risk analysis tools and techniques.
4. Apply risk control techniques to the identified risks and learn the importance of insurance and risk transfer.
5. Explore the importance of risk management strategy and risk management policy while understanding the techniques to implement a successful risk management program.
6. Develop knowledge about creating a risk-aware culture and understanding an organization's risk appetite.
7. Understand risk governance and how corporate governance requirements impact an organization's risks.
8. Learn risk assurance and risk reporting within an organization to expand their knowledge regarding internal control and corporate social responsibility.

BFIN 341. Financial Analysis and Markets**3 Credits (3)**

Financial analysis for business financing and investing decisions. Prerequisites ACCT 2110, ECON 2110G, ECON 2120G, MATH 1220G, A ST 311 or MATH 1350G.

BFIN 355. Investments**3 Credits (3)**

Analysis of investment risks and rewards and of the problems of portfolio selection and management. Operation of the securities market.

Prerequisite(s): BFIN 341 with a grade of C- or better.

BFIN 360. Financial Information Technology**3 Credits (3)**

Integrated use of electronic financial information resources with spreadsheet and word processing applications in investigating financial issues and solving financial problems.

Prerequisite(s): a grade of C- or better in BFIN 341 or consent of instructor.

BFIN 385. Analysis of Financial Markets and Institutions**3 Credits (3)**

Analysis of the financial system, emphasizing its institutions and instruments.

Prerequisite(s): BFIN 341 with a grade of C- or better.

BFIN 391. Finance Internship and Cooperative Education I**1-3 Credits**

Introduction and application of finance principles in a work environment. Open only to students in the finance major or minor who will be working with an approved employer in a finance related position, over a period of 12 weeks or at least 300 work hours. Consent of instructor required.

BFIN 392. Insurance Internship and Cooperative Education I**1-3 Credits (1-3)**

Introduction and application of insurance principles in a work environment. Open only to students in the finance major or insurance minor who will be working with an approved employer in an insurance related position, over a period of 12 weeks or at least 300 work hours. Consent of instructor required. Restricted to Finance majors.

BFIN 393. Banking Internship and Cooperative Education**1-3 Credits (1-3)**

Professional banking experience with opportunities to engage in business analysis and to observe application of business principles in the management of a banking entity or a regulatory agency with banking oversight. Open only to students in the finance major or banking minor who will be working with an approved employer in a banking related position, over a period of 12 weeks or at least 300 work hours. May be repeated up to 3 credits. Consent of Instructor required.

BFIN 406. Theory of Financial Decisions**3 Credits (3)**

Contemporary financial theory. Firm valuation, investments and financing decisions, risk analysis.

Prerequisite(s): BFIN 341 with a grade of C- or better.

BFIN 421. Personal Financial Planning for Professionals**3 Credits (3)**

Introduction to personal financial planning, including goal setting and fact finding, cash management, credit, housing, retirement planning, taxation and estate planning. This course is intended for those planning careers in personal financial advising in one of the various financial services environments.

Prerequisite(s): BFIN 341, or consent of Instructor.

BFIN 435. Investment Analysis**3 Credits (3)**

Efficiency of capital markets, modern portfolio management, special topics of current interest to investment analysts.

Prerequisite: BFIN 355.

BFIN 445. Fixed Income Markets, Instruments and Derivatives**3 Credits (3)**

Course provides a broad introduction to treasury, corporate, municipal, mortgage backed and asset backed bond markets. The analytical techniques for valuing bonds, quantifying their exposure to changes in interest rate and credit risk exposures and investment decision-making are explored.

Prerequisite(s): BFIN 341.

BFIN 455. Derivative Markets and Securities**3 Credits (3)**

Institutional aspects of derivative markets and the arbitrage based pricing of derivative instruments such as stock options, interest rate options, future contracts and swaps. The applied component of the course demonstrates use of these instruments as hedge and/or investment vehicles.

Prerequisite(s): BFIN 355.

BFIN 470. Real Estate Appraisal**3 Credits (2+2P)**

This course addresses issues influencing the value of real estate with some emphasis upon rural properties. Topics include courthouse records, property taxes, appraisal methodology, expert courtroom testimony, condemnation, and legal issues. Students will take field trips and write appraisals. Course material is relevant to student in Finance, Accounting, and Pre-Law, as well as Agriculture. Accredited for hours to apply to both pre-licensing and continuing education requirements of the New Mexico Real Estate Commission for both Appraisers and Real Estate Brokers. May be repeated up to 3 credits.

Learning Outcomes

1. Distinguish between the Income Approach, Cost Approach, and Sales Comparison Approach.
2. Identify market abstracted influences on value.
3. Apply proper appraisal methodology.
4. Demonstrate appraisal knowledge by writing a residential appraisal and a farm appraisal.

BFIN 475. International Managerial Finance**3 Credits (3)**

International aspects of financial transactions, decision-making, banking and financial markets. Crosslisted with: I B 475 and BFIN 575.

BFIN 480. Management of Financial Institutions**3 Credits (3)**

Asset and liability management of financial institutions; emphasis on commercial bank management.

Prerequisite: BFIN 385 or consent of instructor.

BFIN 490. Selected Topics**1-3 Credits**

Current topics in finance.

Prerequisites: vary according to the seminar being offered.

BFIN 498. Independent Study**1-3 Credits**

Individual studies directed by consenting faculty with the prior approval of the department head. A maximum of 3 credits may be earned.

Prerequisites: junior or above standing and consent of instructor.

BFIN 500. Concepts in Finance**1 Credit (1)**

An overview of fundamental principles of finance necessary for prospective MBA students who do not have an undergraduate background in finance. Includes: Time value of money concepts and calculations; risk and calculation of return given appropriate risk

measures; bond risk characteristics and calculation of the value of a bond; calculation of the value of common stock (determination as to whether a stock is over-valued or under-valued); and calculation of the costs of capital and capital budgeting problems using the cost of capital.

Prerequisite(s): admitted to MBA Program or consent of course department.

BFIN 503. Financial Management**3 Credits (3)**

Theory and application of financial analysis to asset management, project evaluation, capital structure, and dividend policy. Interrelationships among financial and other organizational decisions.

Prerequisite(s): BFIN 341 with a grade of B or better.

BFIN 511. Financial Derivative Markets**3 Credits (3)**

This course examines advanced futures and options strategies for income generation and risk management. Coverage includes a variety of markets, e.g., interest rates, stock indexes, metals, currencies, livestock, and grains. Both technical and fundamental trading strategies are identified and discussed. Same as AEEC 3220/BFIN 311 with additional coursework required at the graduate level. Cannot receive credit for both AEEC 3220/BFIN 311 and AEEC 3220/BFIN 311. Taught with AEEC 5220.

Learning Outcomes

1. Define risk and identify methods of managing risk.
2. Demonstrate understanding of vocabulary associated with derivatives and derivative markets.
3. Identify the role that derivative markets play in reducing risk.
4. Demonstrate a basic understanding of derivative markets including their use in risk management and income generation.

BFIN 521. Personal Financial Planning for Professionals**3 Credits (3)**

Introduction to personal financial planning, including goal setting and fact finding, cash management, credit, housing, retirement planning, taxation and estate planning. This course is intended for those planning careers in personal financial advising in one of the various financial services environments. For Graduate students only

Learning Outcomes

1. Describe the financial planning process, assess the external environment, use goals to establish financial direction, and analyze a client's present financial position.
2. Estimate the impacts of income tax planning strategies, apply the basic process for retirement planning, and define the considerations for estate planning.
3. Evaluate the roles of various insurances products in managing risks, and recognize the professional and ethical aspects of financial planning

BFIN 535. Investment Concepts**3 Credits (3)**

Investments in common stocks and other securities. Risk and return, securities markets, portfolio theory and management. For Graduate students only

Learning Outcomes

1. Model forecasted financial statements using Microsoft Excel.
2. Build financial models in Excel to estimate risk and return for individual stock.
3. Build financial models in Excel to construct an efficiently diversified portfolio.

4. Make decisions regarding investments for the Wetherbe Student-Managed Investment Fund.

BFIN 545. Fixed Income Markets, Instruments and Derivatives

3 Credits (3)

Course provides a broad introduction to treasury, corporate, municipal, mortgage backed and asset backed bond markets. The analytical techniques for valuing bonds, quantifying their exposure to changes in interest rate and credit risk exposures and investment decision-making are explored. Assignments and exams will be differentiated from the undergraduate cross-listed course. In addition, graduate students are expected to complete a project. For Graduate students only.

Learning Outcomes

1. Describe basic features of a fixed-income security.
2. Describe mechanisms available for issuing bonds in primary markets.
3. Analyze repurchase agreements (repos) and the risks associated with them.
4. Compute invoice prices, yields, spot rates, and forward rates.
5. Compute PVBP, duration and convexity of a bond, duration of a portfolio of bonds.
6. Construct the term-structure of interest rates, Yield curve strategies.
7. Describe the process of calibrating a binomial interest rate tree to match a specific term structure.
8. Explain the principles underlying, and factors that influence, the market's pricing of CDS.
9. Explain and execute interest rate swaps.

BFIN 555. Derivative Markets and Securities

3 Credits (3)

Institutional aspects of derivative markets and the arbitrage based pricing of derivative instruments such as stock options, interest rate options, future contracts and swaps. The applied component of the course demonstrates use of these instruments as hedge and/or investment vehicles. Same as BFIN 455 with differentiated assignments for graduated students. For Graduate students only.

Learning Outcomes

1. Define forward contracts, futures contracts, options (call and puts), swaps, and credit derivatives and compare their basic characteristics.
2. Determine the value at expiration and profit from a long or a short position in a call or put option, or combinations such as straddles, covered calls, spreads, put-call parity etc.
3. Explain how the concepts of arbitrage, replication, and risk neutrality are used in pricing derivatives.
4. Explain how the value of an option is determined using a multiperiod-period binomial model.
5. Describe how the Black-Scholes-Merton model is used to value European options on equities.
6. Interpret each of the option Greeks.
7. Describe how a delta hedge is executed.
8. Define implied volatility and explain how it is used in options trading.
9. Describe a futures contract: long and short positions, hedging, basis risk, and hedge ratios

BFIN 575. International Managerial Finance

3 Credits (3)

International aspects of financial transactions, decision-making, banking and financial markets. For Graduate students only.

Learning Outcomes

1. Explain and evaluate how the globalization process moves a business from a purely domestic focus in its financial relationships and composition to one truly global in scope.
2. Describe what three major corporate currency exposure arises from multinational business.
3. Define and explain the terms that are used in reference to exchange rates and currency regimes in addition to analyzing the characteristics of an ideal currency.
4. Explain how nations measure their own level of international economic activity and how that is measured by the balance of payments.
5. Show how interest rates and inflation affect each country and currency.
6. Identify the forms of currency quotations used by currency dealers, financial institutions, and agents of all kinds when conducting foreign exchange transactions.
7. Distinguish between spot, forward, swaps, and other types of foreign exchange financial instruments as well as foreign currency futures and options contracts.
8. Demonstrate how both the diversifiable and non-diversifiable risks of an investor's portfolio may be reduced through international diversification.
9. Evaluate the various internal and external sources of funds available for the financing of foreign subsidiaries.

BFIN 581. Management of Financial Institutions

3 Credits (3)

Asset and liability management of financial institutions; emphasis on commercial bank management. For Graduate students only.

Learning Outcomes

1. Describe the Financial System and Competing Financial Service Institutions.
2. Describe the impact of government policy and regulation on the banking industry.
3. Explain the array of organizational structures in Banking: Unit, Branch, Holding, Company and Electronic Services.
4. Analyze the Balance Sheets and Income Statements of Banks.
5. Measure and evaluate the performance of Banks and their principal competitors.
6. Apply different liquidity management strategies.

BFIN 590. Selected Topics

1-3 Credits (1-3)

Current topics in finance. Taught with BFIN 490 with differentiated assignments for graduate students. Consent of instructor required.

BFIN 598. Special Research Programs

1-3 Credits

Directed individual reading or research.

Prerequisite: consent of instructor.

Department of Finance

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Website: <https://business.nmsu.edu/academic-departments/finance/index.html> (<https://business.nmsu.edu/academic-departments/finance/>)