



University of Washington Office of the President, Box 351230

January 18, 2002

Dean Yash Gupta  
School of Business Administration  
Box 353200

Dear Yash:

Based on the recommendation of its Subcommittee on Admissions and Programs, the Faculty Council on Academic Standards has recommended approval of a new admission option for the Bachelor of Arts in Business Administration (Finance). A copy of the program option is attached.

I am writing to inform you that the Department of Finance and Business Economics is authorized to specify these requirements for students entering the program summer quarter 2002.

The revised requirements should be incorporated in printed statements and in individual department websites as soon as possible. The *General Catalog* website will be updated accordingly by the Registrar's Office.

Sincerely yours,

Richard L. McCormick  
President

Enclosure

cc: Professor Lawrence D. Schall (with enclosure)  
Mr. Richard L. Simkins (with enclosure)  
Mr. W. W. Washburn (with enclosure)  
Mr. Robert Corbett (with enclosure)

BUS - 047301

# New or Revised Undergraduate Admission or Program Requirements

After college/school review, send signed original and 7 copies to: FCAS, Box 351271

FIN-042301

College or School School of Business Administration	Department Finance & Bus. Econ.	Date 04/23/01
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Check Appropriate Box

- ☐ New Admission Requirements      ☐ Revised Program Requirement      ☒ New Option  
☐ Revised Admission Requirements      ☐ New Minor      ☐ New Major/Degree



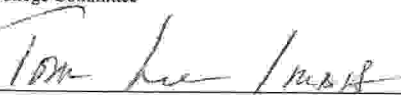

Explanation of proposed changes or new programs. attach additional page if necessary.

There is a need to formally define the courses that constitute in-depth study of the area of Finance. Graduating students desire to have formal recognition that they have completed a Finance option. Currently, many students identify themselves as Finance "majors," but there is no defined set of courses which they complete for formal recognition. To address this, we propose a Finance Option. Students will apply to the Finance Option when they apply to the School of Business and acceptance to the Finance Option will be based on the same criteria used for Business School admission. Those who complete the Finance Option will receive certification that will be indicated on their transcripts.

Desired implementation date (not earlier than one full quarter after anticipated date of approval): Summer 2002

Instructions: Provide a point-by-point comparison of existing and proposed statements, using "no change" in the proposed column where appropriate. A more complete explanation may be attached if necessary, but the "Proposed" column must always be completed.

Existing Catalog Statement (Omit this section when proposing new programs)		Proposed Catalog Statement	
		<p>Students who apply to the Finance Option will be admitted at the same time that they are admitted to the Business School. Demand may be greater than space in the Finance Option; therefore, admission is competitive. Admission is based on the same performance measures used to admit students to the Business School. Admission to the Business School does not guarantee admission to the Finance Option.</p> <p>The notation "Finance" will be included on the transcript of a student who graduates with a degree of Bachelor of Arts in Business Administration and who completes the following courses with a cumulative GPA of at least 2.5: FIN 450 or FIN 453; FIN 460 or FIN 461; and 3 additional 400-level FIN or B ECON electives, excluding FIN 490, FIN 499, B ECON 490 and B ECON 499.</p>	

Chair 	Date 10/18/2001	Dean 	Date 11/27/01
College Committee 	Date 11/26/01	Faculty Council on Academic Standards 	Date 01/01/02

University of Washington  
School of Business Administration

## **UNDERGRADUATE FINANCE OPTION**

The objective of the Finance Option is to provide students in the Undergraduate Program with the major Finance tools required in managing a business firm or in performing portfolio management and analysis. The study of Finance covers four interrelated areas: Corporate Finance (business financial management); Investments (portfolio management and asset pricing); Financial Markets; and International Finance.

### ***ADMISSIONS PROCESS***

Students will be admitted to the Finance Option at the same time that they are admitted to the Business School (normally in the spring quarter of their sophomore year). To apply for the Finance Option, students must mark the appropriate box on the application when applying for admission to the Business School. Continuing Business School students may also apply but must submit a separate application, which will be evaluated on the basis of the student's cumulative GPA, School of Business GPA, GPA in Finance and Business Economics courses, and the written examination that was taken in applying to the Business School.

Admission to the Finance Option will be competitive. The admission requirements will be based on the student's ranking in terms of the same measures used to admit students to the Business School. The number of students admitted to the Finance Option each year will depend on demand and resources. The Undergraduate Program Office administers the admission process (with assistance, if necessary, from the Finance faculty), and will notify students regarding admission to the Finance Option when they are admitted to the Business School. The Finance Option admission process should be completed in time for students to register for the following Autumn quarter.

### ***COURSE REGISTRATION***

Students who have been admitted to the Finance Option will have priority when registering for Finance and Business Economics electives. After Period I, students in the Finance Option will have the same registration priority as all other Business students.

### ***SUCCESSFUL COMPLETION OF FINANCE OPTION***

To successfully complete the Finance Option, students must satisfy all course requirements (described below) and achieve a cumulative GPA of at least 2.5 in the following courses: FIN 450 or FIN 453; FIN 460 or FIN 461; and 3 additional 400-level Finance or Business Economics electives, excluding FIN 490, FIN 499, B ECON 490 and B ECON 499. Successful completion of the Finance Option will be noted on the student's transcript.

### ***COURSE REQUIREMENTS***

The Finance and Business Economics courses that must be taken to meet the requirements for the Finance Option are: (a) the Business Undergraduate Core courses Business Economics 300 and Finance 350; and (b) five electives in Finance and Business Economics, with at least one elective in Investments and at least one elective in Corporate Finance. It is also strongly recommended (but not required) that a Finance

Option student take one intermediate macroeconomics course (Business Economics 301 or Economics 301) and Accounting 375. All of these courses are described below.

***Undergraduate Core Courses.*** All Business School students must complete *both* of the two courses noted below. These courses lay the groundwork for the Finance Option.

B ECON 300 Managerial Economics (3): Analysis of economic factors affecting decisions made by business firms. Demand and cost analysis, and alternative policies from the firm's point of view. Prerequisite: ECON 200. ECON 300 may substitute for B ECON 300.

FIN 350 Business Finance (4): Sources, uses, cost and control of funds in business enterprises. Internal management of working capital and income sources and cost of long-term funds; capital budgeting; financing and the growth and expansion of business enterprises. Prerequisite: Accounting 225; ECON 201; calculus and statistics.

***Elective Requirements.*** A Finance Option student must also take five electives from the list below (*the list will change periodically as the curriculum is continually revised*). Of these five, at least one must be in the Corporate Finance area (currently Finance 450 and Finance 453) and at least one must be in the Investments area (currently Finance 460 and Finance 461).

FIN 423 Banking and the Financial System (4): Role of banks and non-bank financial institutions in the financial system; asset choices of banks and non-bank financial institutions; problems in the management of financial institutions with emphasis on commercial banks. Prerequisite: FIN 350 and either B ECON 300 or ECON 300.

FIN 450 Problems in Corporate Finance (4): Case problems in corporate financial management. Includes cases on management of current assets, obtaining short-term loans, raising long-term capital, capital budgeting and dividend policy. The management viewpoint is stressed. Prerequisite: FIN 350 and either B ECON 300 or ECON 300.

FIN 453 Financial Theory and Analysis (4): Business financial strategic planning. Topics include business valuation and financing; performance evaluation; risk analysis; capital budgeting; and inflation and taxes. Emphasizes tools that have real world applications, while incorporating modern finance concepts. Prerequisite: FIN 350 and either B ECON 300 or ECON 300.

FIN 460 Investments (4): Introduction to the nature, problems, and process of evaluating particular securities and portfolio construction and administration. Special attention is directed to the risk and rate of return aspects of particular securities portfolios, and total wealth. Prerequisite: FIN 350 and either B ECON 300 or ECON 300. *Students are encouraged to take QMETH 490 (Analysis and Forecasting of Financial Data: Spreadsheet Applications) before or concurrently with FIN 460.*

FIN 461 Financial Futures and Options Markets (4): The pricing of options and futures contracts are analyzed and available empirical evidence is examined. Institutional aspects and social functions of these markets are also covered. Risk shifting by hedging is given particular attention. Prerequisite: FIN 350 and either B ECON 300 or ECON 300.

B ECON 420 Financial Markets (4): Analysis of the structure and functions of the money and capital markets; the savings-investment process and financial intermediaries; supply and demand for lendable funds and the level and structure of interest rates; role of Federal Reserve and Treasury in money market developments. Prerequisite: Either B ECON 301 or ECON 301.

B ECON 426 Competing in the Global Economy (4): Examines the relationship between the international business environment and global business strategy. Links macroeconomics, strategy, and cross-cultural communications issues. Provides tools for competing effectively in a global business environment. Prerequisite: ECON 201 AND B ECON 300.

B ECON 427 International Finance (4): Exchange rate determination; asset choice and institutional operations in international finance; the impact of international financial problems and operations on business; short-term and long-term international financing. Prerequisite: Either B ECON 300 or ECON 300 and either B ECON 301 or ECON 301.

***Strongly Recommended Intermediate Macroeconomics and Accounting Courses.*** It is strongly recommended that, *in addition to* the five required Finance and Business Economics electives, a student completing the Finance Option take *one* intermediate macroeconomics course (B ECON 301 or ECON 301) and Accounting 375.

B ECON 301 Intermediate Macroeconomics (4): Analysis of the economy - business cycle, output of goods and services (GNP), inflation, unemployment, and the government's fiscal and monetary policies. How the economy affects individuals and firms, and how to deal effectively with the economic environment. Prerequisite: ECON 201.

ECON 301 Intermediate Macroeconomics (5): I&S analysis of the determinants of the aggregate level of employment, output, prices, and income of an economy. Policy issues and applications with special reference to current monetary and fiscal policy. Prerequisite: ECON 201; ECON 300.

Acctg 375 Topics in Financial Reporting (4): Critical examination of the uses and limitations of general purpose financial statements that have been prepared in accordance with generally accepted accounting principles. Prerequisite: Acctg 225 or Acctg 230; not open to accounting majors. [The Accounting Department is not able to provide space in its specialized course work for students who are not in the accounting concentration, but has developed Acctg 375 to provide students concentrating in finance with a more adequate background in accounting.]

***Related Electives in Other Departments.*** The electives listed below would complement the Finance Option (they do NOT substitute for any of the five Finance and Business Economics electives required for the Finance Option).

<b>Business Administration</b>		<b>Non-Business Administration</b>	
OE 403 (5)	Commercial Law	ECON 370 (5)	Introduction to International Economics
QMETH 490 (4)	Special Topics in Quantitative Analysis for Business	ECON 422 (5)	Investment, Capital, & Finance
		ECON 431 (5)	Government & Business
		ECON 435 (5)	Natural Resource Utilization and Public Policy
		ECON 450 (5)	Public Finance

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