

# **REGULATIONS AND SYLLABUS FOR THE DEGREE OF MASTER OF SCIENCE IN FINANCE.**

## **1.0 Introduction**

The Master of Science (M.Sc) degree in Finance is designed to assist students enhance their managerial effectiveness within the fields of Finance, Accounting, Investments, Banking and Insurance. The programme is practical and career-oriented, while maintaining high standards of rigour and scholarship. It provides new skills, analytical tools and perspectives, which provide a sound basis for financial management, accounting, investments, banking and insurance. Students are to be drawn from the Eastern and Central African region and beyond. The M.Sc degree in Finance offers a unique opportunity for students to develop an appreciation of the causes and significance of current developments in the financial and corporate sectors, and to study advanced theory and practice relating to finance, accounting, insurance, banking and insurance. The programme caters for those that have undergone prior training in Finance, Accounting, Banking, Insurance, Economics, Mathematics, statistics and engineering. Teaching goes beyond theoretical concepts to practical knowledge based on cases and real life experiences; hence shared experiences by the diverse student body are an integral part of the M.Sc programme.

The strength of the M.Sc degree in Finance is founded on the long history of the UON School of Business since 1972, experienced lecturers with a wide variety of backgrounds, and diversity in the student body in terms of backgrounds and nationalities. The School of Business is renowned for its work in management strategy, international business, marketing, finance and accounting. Indeed, graduates of the school of business are highly regarded by employers in the public and private sectors, and excellent opportunities exist for internships, work placements and graduate careers. Our location in the city of Nairobi –the region’s foremost business and financial centers – offers many key advantages to our students, and we have close links with many investment firms, banks, insurance companies and other financial institutions. The M.Sc degree in Finance acts as a terminal degree for those interested in careers in the corporate world, but also as a preparatory course for those aspiring to pursue doctorates for careers in research and teaching in Finance, Accounting, Investments, Banking and Insurance. The programme therefore aims at training the critical manpower required towards achieving Kenya’s Vision 2030 and other development objectives, and to making East and Central Africa a vibrant region ready to face a globalizing world characterized by constant change and new demands.

The objectives of the programme are to:

- a) Equip the student with a knowledge of key generic and specific areas of Finance, Accounting, Investments, Banking and Insurance;
- b) Equip students with the knowledge and skills necessary to pursue a senior level professional career in Finance, Accounting, Investments, Banking and Insurance;
- c) Enhance self-confidence and the ability of the student to evaluate practical business experience from an academic, practical, and a critical perspective;

- d) Develop understanding of the theoretical and practical issues critical for managers who often have to make rapid and far-reaching decisions about the short-term financial operations and long term strategies of firms;
- e) Instill a professional and problem-solving attitude in the fields of Finance, Accounting, Investments, Banking and Insurance; and
- f) Develop high-level manpower for academic and other research Institutions in the region.

## **2.0 Entry Requirements**

2.1 The common regulations for the masters' degree in the University of Nairobi shall be applicable.

2.2 The following shall be admissible:

- a) A holder of at least an upper second class degree in Finance, Accounting, Banking, Insurance, Economics, Mathematics, Statistics and Engineering.
- b) A holder of lower second class degree in Finance, Accounting, Banking, Insurance, Economics, Mathematics, Statistics and Engineering with at least two years of work experience.

## **3.0 Credits Transfer and Exemptions**

3.1 Applicants who have completed equivalent Masters course units at other Senate recognized universities may, with the approval of the Senate, be allowed to transfer credits up to one third (four) course units into their program. Students desiring to receive credit for any prior course units done will need to make a formal request, which includes:

- a) A list of the University of Nairobi (UON) course units for which the student is interested in getting credit;
- b) Official transcripts, indicating courses that may be equivalent and;
- c) Description and syllabus/outlines for the courses previously taken and passed. In addition there may be an exemption examination.

3.2 All those seeking to transfer credits will be required to pay an appropriate fee.

#### **4.0 Course structure and Duration**

- 4.1 The programme consists of twelve (12) taught course units that constitute Part 1 while a project Part II.
- 4.2 The minimum duration for the programme shall be three (3) semesters, while the maximum duration shall be ten (10) semesters, and will involve coursework, examinations and the research project.
- 4.3 A candidate shall be allowed to take a maximum of six (6) course units and a minimum of two (2) course units per semester.
- 4.4 Each course unit shall be taught for forty five (45) contact hours.
- 4.5 There will be eight (8) core course units which shall be taken by all candidates.
- 4.6 In addition to the core course units, candidates will be required to take three (3) specialization course units in a chosen thematic area, and one (1) elective course unit. Specialization course units allow a student to concentrate in their chosen thematic area, while elective course units provide options for additional knowledge in other areas of interest, not necessarily in their chosen thematic area.
- 4.7 Electives may be chosen from the list of elective course units in any area of study, or from specialization course units from a different thematic area, that would now count as electives.
- 4.8 Course units can only be taken after the necessary prerequisites have been successfully completed.
- 4.9 After completing Part I (all the taught course units – 8 core course units, 3 specialization course units, and 1 elective course unit), candidates will carry out research and produce a project (Part II). Part II shall commence in the semester immediately succeeding successful completion of Part I. Once the project is started it must be completed within the semester, or duration of six course units, with the maximum duration equivalent to the minimum load of two course units per semester.

## 5.0 Course Outline

### 5.1 Core Courses

Code	Title	Pre-requisite	Hours
DFI 511	Micro and Macro –Economic Theory		45
DAC 511	Corporate Financial Reporting and Analysis		45
DAC 512	Corporate Governance, Reporting and Regulation		45
DFI 512	Corporate Financial Strategy		45
DFI 513	Research Methodology in Finance		45
DFI 514	Working Capital Management	DFI 512	45
DFI 515	Corporate Valuation	DFI 512	45
DFI 611	Financial Econometrics and Modeling	DFI 512	45

### 5.2 Thematic Areas of Specialization

1. Finance and Accounting
2. Finance and Investments
3. Finance and Banking
4. Finance and Insurance

### 5.3 Course outlines for thematic areas of specialization

#### 5.3.1 Finance and Accounting

Code	Title	Prerequisites	Hours
DAC 513	Financial Reporting for Complex Entities	DAC 511	45
DAC 514	Strategic Management Accounting	DAC 511	45
DAC 611	Fraud Auditing and Forensic Accounting	DAC 511	45
DFI 659	Project	Completion of part 1	180

### 5.3.2 Finance and Investments

<b>Code</b>	<b>Title</b>	<b>Prerequisites</b>	<b>Hours</b>
DFI 521	Securities Valuation and Investments Management	DFI 512	45
DFI 522	Real Estate Finance and Investment	DFI 512	45
DFI 523	International Financial Markets and Investments	DFI 512	45
DFI 659	Project	Completion of part 1	180

### 5.3.3 Finance and Banking

<b>Code</b>	<b>Title</b>	<b>Prerequisites</b>	<b>Hours</b>
DFI 531	Commercial Bank Strategy and Management	DFI 512	45
DFI 532	Risk Management in Banking	DFI 512	45
DFI 533	International Banking	DFI 512	45
DFI 659	Project	Completion of part 1	180

### 5.3.4 Finance and Insurance

<b>Code</b>	<b>Title</b>	<b>Prerequisites</b>	<b>Hours</b>
DFI 541	Risk Management and Insurance	DFI 512	45
DFI 542	Risk and Financial Derivatives	DFI 512	45
DFI 612	Actuarial Valuation	DFI 512	45
DFI 659	Project	Completion of part 1	180

### 5.3.5 Elective Course Units

<b>Code</b>	<b>Title</b>	<b>Prerequisites</b>	<b>Hours</b>
DAC 612	Taxation and Business Strategy	DAC 511	45
DAC 613	Advanced Auditing and Assurance Services	DAC 511	45
DFI 615	International Money and Finance	DFI 512	45
DFI 616	Micro-Finance for Development	DFI 512	45
DFI 617	Financial Engineering	DFI 512	45
DFI 618	Banking Regulations, Failure and Crisis	DFI 512	45
DFI 619	Central Banking and Monetary Policy	DFI 512	45
DFI 620	Investment Banking	DFI 512	45
DFI 621	Insurance and Strategy	DFI 512	45
DFI 622	General Insurance and Risk Analysis	DFI 512	45
DFI 623	Life, Health and Pensions Management	DFI 512	45

## 6.0 Examination Regulations

### 6.1 Written Examinations

- a) In each semester, candidates will be required to take a minimum of two (2) and a maximum of six (6) examination papers.
- b) All candidates shall be required to take and pass a total of twelve (12) examination papers before being allowed to proceed to do a project.
- c) Each course unit shall be examined through a two-hour written examination paper at the end of each semester.
- d) The final written examination shall account for fifty percent (50%) of the marks in each course unit, while continuous assessment shall account for the remaining fifty percent (50%).
- e) The pass mark for each course unit shall be fifty percent (50%).
- f) Candidates who fail to satisfy the examiners in any course unit may on the recommendation of the School Board of Examiners and approval by Senate be allowed to take up to two supplementary examinations.
- g) A pass obtained in the supplementary examinations shall be recorded as 50% in the candidate's academic record.
- h) A candidate who fails to satisfy the examiners in the second supplementary examination shall, subject to the following on recommendation of the School Board of Examiners and approval by Senate, be:
  - (i) discontinued if the failed course unit is a core course, or
  - (ii) allowed to change to another specialization option if the failed course is a specialization course unit, or
  - (iii) allowed to take another elective if the failed course is an elective course unit.

Conditions (ii) and (iii) shall only apply provided the stipulated maximum period of 10 semesters is not exceeded; otherwise the candidate shall be discontinued.

## **6.2 Project Examination**

- a) Candidates shall be required to submit supervised project for examination at least three weeks before end of semester in which it is to be examined.
- b) For purposes of examination regulations, the project shall be considered to be equivalent to four course units.
- c) The pass mark for the project shall be fifty percent (50%)
- d) A candidate who fails in the project may on the recommendation of the School Board or Examiners and approval by Senate, be allowed to re-submit the project one more time within the stipulated period of 10 semesters.
- e) A pass obtained in the re-submission of a project shall be recorded as 50% in the candidate's academic record.
- f) Candidates who fail to satisfy the examiners in the re-submission of the project or fails to complete their study within the stipulated period of 10 semesters shall on recommendation of the School Board of Examiners and approval by senate be discontinued. A candidate shall not be allowed to work on a project for more than two semesters. All re-submissions must be done within the two semesters.

## **7.0 Degree Award**

After completion of all the requirements the successful candidate shall be recommended for the award of the degree of Master of Science in Finance.

## **8.0 COURSE DESCRIPTION**

### **DFI 511: MICRO AND MACRO-ECONOMIC THEORY**

Theories of consumer and producer behavior, household decision making models, cost and production functions, theory of market structure, theory of games, theories of imperfect information, welfare economics and social choices, theory of general equilibrium, macro-economic models, consumption, savings and investment, money and financial markets, fiscal policy and government budget, labour market, inflation, open economy macroeconomics, classical and neo-classical growth models, endogenous growth models, disequilibrium macro-economic models, new frontiers in development economics.

### **DAC 511: CORPORATE FINANCIAL REPORTING AND ANALYSIS**

The regulatory environment of financial reporting and political climate, Financial reporting and the economy, the conceptual framework of financial accounting, Standard setting with respect to the conceptual frameworks, Financial reporting and analysis, Analyzing financing activities Analyzing investing activities, Analyzing investing activities: inter corporate investments, Cash flow analysis, Return on invested capital and profitability analysis, Prospective analysis, Credit analysis, capital structure and solvency, Equity analysis and valuations, Forecasting profits Earnings Per Share, Evaluating earnings, quality and detecting earnings management

### **DAC 512: CORPORATE GOVERNANCE, REPORTING AND REGULATION**

The agency problem and managerial control, Corporate governance issues, Internal controls, management fraud and corporate failure, Managerial compensation and the agency problem, Companies Act (CAP 486) and companies governance, Banking laws (Banking Act and Central Bank of Kenya Act), Securities markets laws and corporate governance (Capital Markets Authority Act), Insurance market laws (insurance Act), Insurance regulatory Authority Act and corporate Governance, Regulatory benefits authority Act and corporate governance.

### **DFI 512: CORPORATE FINANCIAL STRATEGY**

Corporate finance strategy: setting the context, Linking corporate and financial strategies, corporate governance and financial strategy, Executive compensation, Start-up business and venture capital, growing companies, mature companies, Reclining businesses: a case of euthanasia, Financial instruments, Types of financial instrument, Dividends and buy backs, Floating a company, Acquisition, mergers and selling a business, Restructuring a company, Private equity and venture capital, International corporate finance, Strategic working capital management.

### **DFI 513: RESEARCH METHODOLOGY IN FINANCE**

The Research Process, Critical approaches: Text and discourse analysis; Problem definition and research proposal; research designs and samples; data collection, Hypothesis Testing Measurement and scaling; Data analysis; Experimental research, Survey research, Fieldwork, Archival research; Rigorous treatment of current empirical research in finance and Accounting; Application of multivariate and linear methods; Inter-temporal and multifactor pricing models, Conditional distributions; Temporal dependence in asset returns, Review of Finance and accounting theories, literature Review; Research ethics in accounting and Finance, communicating research results.

### **DAC 513: FINANCIAL REPORTING FOR COMPLEX ENTITIES**

Purchase accounting method for acquisitions, the equity method for investments, the preparation and interpretation of consolidated financial statements, tax implications of mergers and acquisitions, earnings-per-share considerations, the accounting implications of intercompany transactions and non-domestic investments, the nature and environment of complex entities, GAAPs / IFRS, Accounting diversity and international harmonization, Assets and liabilities of R&D, Intangible assets, Financial instruments and hedging, Reporting financial performance: Defining income; Valuation basis; Calculating earnings per share; Accruals vs. cash flows, Accounting for groups: Business combinations; Different types of strategic relationships (associates and joint ventures); Goodwill and currency translation

### **DAC 514: STRATEGIC MANAGEMENT ACCOUNTING**

An overview of strategic planning and performance measurement, Strategic analysis and cost management, Target costing, theory of constraints and life cycle costing, Management of quality costs, Managing marketing effectiveness, productivity and customer profitability Management control and strategic performance measurement, Strategic investment units and transfer pricing, Management compensation and business valuation, Overview of the balance scorecard, Measuring business strategy - Financial perspective, Measuring business strategy - Customer perspective, Measuring business strategy - Learning and growth perspective, Measuring business strategy - Internal- business process perspective, Linking balance scorecard to corporate strategy, The six sigma analysis, Beyond budgeting, Activity based cost management.

## **DAC 611: FRAUD AUDITING AND FORENSIC ACCOUNTING**

Overview of forensic accounting; the expectation gap between society and external auditors; the forensic accounting environment- legal environment, the organization, information system and audit environment; forensic accounting tools and techniques; forensic auditing and investigation; Fraud- financial statements fraud, employee fraud, vendor fraud, tax fraud and other frauds against the organization; Fraud Definitions, Models, and Taxonomies, Fundamentals of Fraud Auditing and Forensic Accounting, Auditor Liability for Detecting Fraud, Fraud Schemes, Red Flags and Fraud Detection, Fraud and CAATs, Fraud Prevention and Control, Fraud Risks Assessment, Fraud and the Accounting Information System, Computer-Related Fraud, Forensic Accountant as an Expert Witness, General Criteria and Standards for Evaluating an Expert's Qualifications, Gathering Evidence

## **DFI 514: WORKING CAPITAL MANAGEMENT**

The role of working capital, Corporate cash management, Working capital and current assets management, Current liabilities management, Account receivable management Inventory management, Short-term financing, Accounts payable and accruals management-Commercial paper-Borrowings Investing activities and cash management, Financing activities and cash management, Cash forecasting and planning, Treasury management information, managing multinational cash flows

## **DFI 515: CORPORATE VALUATION**

Estimating increment cash flows, Estimating cost of capital, an overview of the valuation process, Overview of mergers and acquisitions, Regulatory environment, Approaches to measuring value, Valuation of tax and accounting purposes, Intangible asset valuation, Valuation of brand names, Valuation of goodwill, Valuation of liabilities, Mining valuation, Valuation of government enterprises, Valuation of life insurance companies, corporate insolvency, Valuation of projects, Cross-border valuation, Valuation of strategic options Valuation of companies in takeovers, Mergers and friendly acquisitions, Hostile takeovers and buyouts

## **DFI 611: FINANCIAL ECONOMETRICS AND MODELING**

Overview of Econometrics and modeling, The predictability of asset returns, Market microstructure, Event-study analysis, The capital asset pricing model, Multifactor pricing models, Present-value relations, Inter-temporal equilibrium models, Derivative pricing models, Fixed-income securities, Term-structure models, Non-derivatives in financial data.

## **DFI 521: SECURITIES VALUATION AND INVESTMENTS MANAGEMENT**

Stock price behavior and market efficiency, Behavioral finance and psychology of investing, Technical analysis, Capital asset pricing (CAPM) and arbitrage pricing theory, Portfolio construction, Investing and the investment process, setting portfolio objectives, Mutual fund evaluation term project, Investment policy, the mathematics of diversification, why diversification is a good idea, International investment diversification, the capital markets and markets efficiency, Pricing the equity players, Pension in the equity portfolio Performance evaluation, Contemporary issues in portfolio management, the institutional organizations and conduct of the fixed income markets, Types and features of fixed income securities, bonds pricing, yield measures and total return, calculating investment returns, the structure of interest rates, Credit analysis and credit risk modeling, Valuation of bonds, Bond portfolio management, Convertible securities and their valuation, Evaluating investment performance

## **DFI 522: REAL ESTATE FINANCE AND INVESTMENT**

Introduction to real estate investment and financing: notes and mortgages, Interest factor in finance fixed rate mortgage loaning, taxation of income properties, Financing leverage, Financing alternatives, Risk analysis, Disposition and renovation of income properties, financing corporate real estate, financing project development, Financing land development projects, Alternative real estate financing and investment vehicles, Real estate investment trust REITS, Real estate performance and portfolio considerations, Mortgage analysis and structuring, The uses costs and capital, Valuation of income property; Taxation of real estate, Risk management, Debt stretching, REITS, Construction financing, Securitization of real estates and liabilities.

## **DFI 523: INTERNATIONAL FINANCIAL MARKETS AND INVESTMENTS**

Globalization and the multinational firm, International monetary system, Balance of payments, The market for foreign exchange and forecasting foreign exchange rates, Management of economic exposure, Management of transaction exposure, Management of translations exposure, Investing in foreign enterprises directly, International capital budgeting and the cost of capital, International trade financing (cash management), Exports and imports, International tax environment, International financial institutions.

## **DFI 531: COMMERCIAL BANK STRATEGY AND MANAGEMENT**

Introduction, the income statement and balance sheet of a commercial banks ,Evaluating a bank return, risks and overall performance ,Foundations of value in banking, Managing the banks investment portfolio, Asset (investment) management and liability management, Liquidity and reserve management ,Managing and pricing deposit services (sources of funds) Managing bank capital, Lending policies and procedures, Real estate lending (mortgages), Electronic banking, banks on and off the balance sheet, The economics of financial intermediation, Establishing new banks; branches ATM's, the financial statements of commercial banks, Measuring and evaluating bank returns and overall performance Central banking: theory and practice Bank regulations and supervision,Bank risks and risk management ,Introduction to the money market and the role played by government and security dealers ,The impact of government policy and regulations of banking.

## **DFI 532: RISK MANAGEMENT IN BANKING**

Banking risk, Risk management process, Risk models, Managing operational risks, Management of credit risks ,Capital adequacy ,Managing liquidity risks, Managing interest rate risks, Managing currency risks ,Management of market risks, Risk regulation - domestic regulations, Risk regulation - international regulations, Risk regulation - Basel 2 -the 3 pillar approach Sovereign and political risk analysis ,Bank failure and determinants, Using financial futures, options and swaps and other hedging tools in asset-liability management ,Risk management using Asset-based securities, loan sales, credit standards and credit derivatives

## **DFI 533: INTERNATIONAL BANKING**

Introduction to international payments and the foreign exchange market ,International banking and international trade ,Multinational banking institutions ,Bank structure and regulation in UK, USA, Japan, Europe ,Banking in emerging economies, Banking reforms in Africa, China and India, Islamic banking - International ,Linkages among banks,South East Asia financial crises, Japanese banking crises, Scandinavian banking crises, Mexican and Argentina crises, US financial crises – 2008,Global financial services, Foreign exchange market (international transaction and currency values) ,Bank liberalization and economic development, the World-Bank and other International banks, The IMF and global liquidity.

## **DFI 541: RISK MANAGEMENT AND INSURANCE**

Risk in Our Society ,Insurance and Risk ,Introduction to Risk Management ,Advanced Topics in Risk Management ,Types of Insurers and Marketing Systems, Insurance Company Operations, Government Regulation of Insurance, Fundamental Legal Principles, Analysis of Insurance Contracts, Life insurance, Individual retirement accounts, Individual, health insurance coverage's Employee Benefits: Group Life and Health Insurance, Employee Benefits, Retirement Plans, Social Insurance, the Liability Risk, homeowners Insurance, Auto Insurance, Other Property and Liability Insurance Coverage's ,Commercial Property Insurance Commercial Liability Insurance; Crime Insurance and Surety Bonds.

## **DFI 542: RISK AND FINANCIAL DERIVATIVES**

Forwards and futures; options; swaps; hedgers, speculators and arbitrageurs, Trading on future markets; forwards and futures prices; hedging using futures contracts; speculation in the futures markets; the value of a forward/futures contract; stock index futures; currency forwards and futures; short-term interest rate futures; T-bond futures, Options markets; options pricing; hedging and volatility; option spreads and stock options; foreign currency options; futures options; portfolio insurance swaps, Interest rate derivatives; complex derivatives; asset price dynamics, Regulation of financial institutions; regulatory framework in Kenya and US; market risk, VAR: mapping cash flows and statistical issues; credit risk

## **DFI 612: ACTUARIAL VALUATION**

Investments and valuation; general principles of asset allocation; asset allocation for institutional investors; the selection of investment portfolios: mathematical techniques  
Stochastic investment modelling and investment risk management; Fundamental features of long-term insurance; non-participating life insurance; participating life insurance; the regulation of solvency and its effect on the emergence of profit; life office risks and risk management; the actuarial role in the management life office risk; general insurance accounts; premium rating; reinsurance; reserving, pension scheme benefits; investment policy; actuarial basis; meeting the cost; actuarial investigations, Actuarial models, time delays and the underwriting cycle; stochastic approach to life insurance mathematics; pension funding models; multiple state models and disability insurance.

## **DAC 612: TAXATION AND BUSINESS STRATEGY**

Introduction to Tax Strategy, Tax Law Fundamentals, Returns on Alternative Savings Vehicles  
Choosing the Optimal Organizational Form, Implicit Taxes and Clienteles, Arbitrage, Restrictions, and Frictions, Tax Planning, the Importance of Marginal Tax Rates and Dynamic Tax Planning Considerations, Compensation Planning, Pension and Retirement Planning, Multinational Tax Planning: Introduction and Investment Decisions, Multinational Tax Planning: Foreign Tax Credit Limitations and Income Shifting, Corporations: Formation, Operation, Capital Structure, and Liquidation, Introduction to Mergers, Acquisitions, and Divestitures, Taxable Acquisitions of Freestanding Corporations, Tax-Free Acquisitions of Freestanding Corporations, Tax Planning for Divestitures, Estate and Gift Tax Planning.

## **DAC 613: ADVANCED AUDITING AND ASSURANCE SERVICES**

Overview of Auditing, Corporate Governance and Audits, Judgmental and Ethical Decision – Making Frameworks and Associated Professional Standards, Audit Risk, Business Risk, and Audit Planning, Internal Control over Financial Reporting, Performing an Integrated Audit, Audit Evidence, Tools to Gather Audit Evidence, Auditing for Fraud, Auditing Revenue and Related Accounts, Audit of Acquisition and Payment Cycle and Inventory, Audit of Cash and Other Liquid Assets, Audit of Long-Lived Assets and Related Expense Accounts, Audit of Long-Term Liabilities, Equity, Acquisitions and Related – Entity Transactions, Completing the Audit, Auditors' Reports, Professional Liability

## **DFI 615: INTERNATIONAL MONEY AND FINANCE**

Currency Exchange Rates, Foreign Exchange Parity Relations, Foreign Exchange Determination and Forecasting , International Asset Pricing , Equity: Markets and Instruments, Equity: Concepts and Techniques , Global Bond Investing , Alternative Investments , The Case for International Diversification , Derivatives: Risk Management with Speculation, Hedging, Risk Transfer , Currency Risk Management , Global Performance Evaluation, Structuring the Global Investment

## **DFI 616: MICRO-FINANCE FOR DEVELOPMENT**

Overview, History and Evolution of Microfinance, and Understanding the Players, Understanding Micro-entrepreneurs, Understanding Household Financial Management and what it means for product design, The Nuts and Bolts of Microfinance Operations, Financial Literacy, Financial Performance, Investor Pitch Presentation, Regulation and Supervision of Microfinance, Microfinance at a Crossroads, Understanding Microfinance's role in poverty alleviation: Debates on Social Performance and Impact, Looking Forward: Trends and innovations, and a look at what's next for the industry

## **DFI 617: FINANCIAL ENGINEERING**

The valuation of futures contracts on;-Stock indices, On commodities and pressing instruments; The valuation of options, Empirical evidence, Strategies with respect to these assets; Dynamic asset allocation strategies , portfolio insurance, Swaps, The use (and misuse) of derivatives in the content of corporate applications, Futures markets, Future prices, Interest rate futures, Stock index futures, foreign currency futures; The options markets, Option pricing, European options pricing, American option-pricing; Options on stocks, Indexes, foreign currency and futures, Interest rate options, The swaps markets, Economic analysis and swap pricing, Option like securities: corporate warrants and convertible bonds.

## **DFI 618: BANKING REGULATIONS, FAILURE AND CRISIS**

An overview of banking regulation, the Banking Act and Central Bank Act and Finance Acts, The rationale for bank regulation, Types of bank regulation, Organization of bank regulation Systemic risks in financial institutions ,Prudential regulation - domestic ,Prudential regulation – International – the Basel framework, Corporate governance in the banking industry, Transparency in the financial statements of banks, Bank failure: cases, prediction and remedy, Bank financial crises: causes, prediction and remedy, Financial liberalization and banking sector stability, Financial sector assessment, Deposit insurance.

## **DFI 619: CENTRAL BANKING AND MONETARY POLICY**

Central banks in the world today, the instruments, target and goals of central bank monetary policy; The central bank balance sheet, monetary policy, Deposit creation and money supply, Open market operations and movement in reserves, theory of money demand, Demand deposit and money demand; The money market ,Exchange rate policy and the central bank, Monetary growth, monetary demand and monetary policy, Modern monetary policy and aggregate demand, Understanding business cycles ,Monetary policy, output and inflation in the short-run

## **DFI 620: INVESTMENT BANKING**

Role of investment banks in the capital acquisition process ,Investment banks in initial public offerings ,Investment banks in secondary public offering and rights issue ,Investment banks in debt markets ,Corporate credit risk analysis and credit rating ,Investment banks in acquisitions and mergers and divestitures ,Investment banks and new leverage buyouts ,Investment banks and new arbitrage ,Brokerage services ,Financing structure of investment banks ,Valuation of securities firms, globalization.

## **DFI 621: INSURANCE AND STRATEGY**

Insurance and Risk Management; the Growth of Derivatives Markets; Integrated Risk Management, Derivation of Decision Rules; Insurance and Expected-Utility; Some Risk Management Propositions for Individuals; Dealing with one risk when faced by another; Alternative decision rules, description of an insurance portfolio; Risk reduction in an insurance portfolio; Measuring correlation between risk units; Diversification and distribution of risks in a non-insurance firm, Risk and shareholder diversification; Core risk and incidental risk; Benefits of firms managing risks; Cost of managing risk and firm value, Duality in risk management strategy; Risk management strategies; Integrated risk management, Sources of the value of a firm; How value can be lost and regained; Post-loss mitigation strategies; Post-loss financing.

## **DFI 622: GENERAL INSURANCE AND RISK ANALYSIS**

Utility theory and insurance, The individual risk model, Ruin theory, Premium principles, The nature of general insurance, Insurance regulation, Insurance operations, Introduction to reinsurance, The role of the actuary, the statistical basis of insurance, Claim frequency and size distributions, Claim cost distribution, Risk theory, Capital and profit, Reinsurance theory, Risk classification, Forecasting in general insurance, Run-off techniques, Unexpired risk, Uncertainty, Premium rating projection, Philosophy of rating and pricing, Pure risk rates, Sound rating, Application of pricing philosophy, Pricing large contracts, Philosophy of reserving, Outstanding claim liabilities, Premium liabilities, Provisions, solvency, Profit, Business planning, Investments, Expenses, Risk management, Financial condition reports, reinsurance, Inward reinsurance, Self-insurance, The Insurance Act, the role of the Insurance Regulatory Authority.

## **DFI 623: LIFE, HEALTH AND PENSIONS MANAGEMENT**

Overview of pension plans, Designing pension plans, The asset allocation decision, the integrated approach to managing DBPs, Employee stock ownership plans and company shares, Hybrid plans, managing pension fund risk, Risk management strategies using derivatives, Managing costs, economic security and the economics of life and health insurance, individual life and health insurance policies, life and health insurance products, Annuities and optional benefits, Life and health insurance evaluation, Life and health insurance contracts, Life insurance policy evaluation, life and health insurance taxation, Life and health insurance in personal financial planning, Government and employee benefit plans, Social insurance, Retirements Benefits Act, and the Insurance Act, the Roles of the Retirements Benefits Authority and the Insurance Regulatory Authority.

## **DFI 659: PROJECT**

On completion of Part I, candidates shall undertake a Project in any area relating or relevant to Finance, Accounting, Banking and insurance under the guidance of a supervisor appointed by the post graduate studies committee of the School. It involves the development of a research proposal that must be approved by a panel appointed by the School, conduct of the study, and writing up the project report for examination.