

FINANCE

Financial executives are of central importance to the overall planning, control and success of an organization. There are financial implications in virtually all organizational decisions, whether the organization is a business firm, a non-profit organization, or a government. With each new innovation in the field of finance the importance of finance for all organizations has grown. Every decision-maker must have sufficient knowledge of finance to determine the financial implications of their decisions.

Finance has evolved from a descriptive discipline in the early 1900s to the analytical discipline we find today. Finance theoreticians use fundamental economic theory to develop valuation models and the tools of financial analysis and risk management that are used by finance practitioners to make financial decisions. Finance consists of three interrelated core areas: financial markets and institutions, investments and portfolio theory, and managerial (business) finance. Subsets of these core areas include, but are not limited to, personal finance, real estate finance, international finance, the management of financial institutions, insurance, energy finance, entrepreneurial finance, derivative securities, and risk management.

The primary objective of the undergraduate finance curriculum is to produce graduates who have a broad understanding of the financial aspects of their decisions and actions and who are capable of utilizing the fundamental tools of financial analysis. Toward these ends, the development of elementary mathematical and statistical skills and the study of economics, accounting and business administration are needed to accomplish the objective. The major in finance prepares students for positions that require special understanding of financial analysis, financial management, and financial systems in a wide variety of organizations.

A career in financial management can begin in one of several positions that may lead to a major executive position, including chief executive officer, chief financial officer, and chief risk officer. Initial positions in the managerial finance area include analyst, capital budgeting analyst, cash manager, credit analyst, financial analyst (who works closely with accountants), real estate officer, and risk manager. Alternatively, finance majors may choose to enter the financial services industries. Finance majors could enter the workforce in the banking industry as a loan officer or as a member of the trust department; in the securities industry as a securities analyst, as an investment banker, as a stockbroker, wealth manager, or account executive, or as a financial planner or personal financial advisor; and in the insurance industry as an agent, financial representative, sales agent, or underwriter.