

UNIVERSITY OF OXFORD

Saïd Business School

Programme Specification for the Masters in Financial Economics

1. Awarding institution	University of Oxford
2. Teaching institution	University of Oxford
3. Programme accredited by	n/a
4. Final award	MSc
5. Programme title	Masters in Financial Economics (MFE)
6. UCAS code	n/a
7. Relevant subject benchmark statement	(i) Economics (ii) Finance
8. Date of programme specification	August 2011

9. Educational aims of the programme

- To provide students with a thorough education and training in the tools of financial economics.
- To prepare students for a career in academia, in financial institutions, the finance departments of companies, regulatory institutions and government departments where economics and finance are used.
- To develop their ability to apply knowledge and understanding of economics and finance to practice in financial institutions and the finance departments of other institutions.
- To enhance lifelong learning skills and personal development so as to be able to work with self-direction and originality and to contribute to business and society at large through further study at a doctoral level or in professional institutions.
- To integrate students' understanding of theoretical microeconomics, applied finance and econometric methodology.

10. Programme outcomes

A. Students will develop a knowledge and understanding of:

Economics, corporate finance, asset pricing, financial econometrics.
During the third term students have the opportunity to gain more in-depth knowledge and understanding of specialist areas. The following electives were offered in 2010-11:

The Econometrics of Predictability, Corporate Valuation, Entrepreneurial Finance, Financial Reporting, Fixed Income & Derivatives, Industrial Organization,

International Finance, International Financial Management, Mergers, Acquisitions and Restructuring, Private Equity, Trade & Globalisation

Related teaching/learning methods and strategies

Core courses are delivered in lectures and classes. Lectures are highly interactive requiring students to undertake advance preparation as well as independent reading both to supplement and consolidate what is being taught and to broaden their individual knowledge and understanding of the subject. There is a good system of class support from doctoral and post-doctoral students who are able to provide assistance with exercises and problem sets. In addition, students will have university supervisors to provide general guidance and advice. During the week before Induction, a training week is scheduled to give students preparatory lectures and classes in Maths and Accounting. Matlab training also takes place prior to the start of term together with specific sessions on careers guidance and preparation.

Assessment

See Section 15.

B. Skills and other attributes

Students have the opportunity to develop the following skills during the course:

I. Intellectual Skills

- Analytical and research skills: skills of problem definitions; problem-solving; data search, collection and analysis for business purposes
- Quantitative skills: the ability to manipulate and interrogate quantitative data in business contexts
- Qualitative skills: the exercise of judgement, the weighing of evidence, and the development of reasoned argument

Teaching/learning methods and strategies used to enable students to gain the above skills are:

- Lectures - a carefully organized programme of lectures covering core material and electives
- Classes – to complement the lectures and allow students to extend their understanding
- Problem sets - to encourage students to acquire quantitative skills
- Case study preparation – to provide practical examples and illustrations
- Student presentations – to develop presentational skills
- Individual consultations with faculty – to complement the lectures and classes

Assessment

- Examinations
- Assignments
- Projects

II. Practical Skills

- Economic analysis
- Financial analysis
- Statistical analysis
- Econometric analysis
- Problem solving
- Team working (small group work)
- Presentation skills (oral, written and visual through classes and workshops)

III. Transferable Skills

- Development of autonomous learning
- Critical analysis
- Application of economic methods of analysis
- Application of financial tools and forms of analysis
- Statistical and econometric skills
- A range of research skills (e.g. database searches, use of major research software)
- Communication, presentation and report writing skills
- Resource and time management skills
- Development of team working skills

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Assessment

- Examinations
- Assignments
- Projects

11. Programme structures and features

The full-time programme runs for nine months (October to June). The course consists of two terms of core courses and a third term of electives. In the first two terms there are core courses in economics, financial econometrics, asset pricing, and corporate finance. The third term allows students to specialise in practitioner or research-oriented electives and students may also undertake an individual project.

The MFE can also be an entry route, for the more academically minded students, to a finance doctoral programme.

Learning Year 1

Core Subjects Asset Pricing
 Corporate Finance
 Economics
 Financial Econometrics

Asset Pricing I:

This course serves two functions. First, it provides students with a thorough coverage of the principles of asset pricing with emphasis on applications. It introduces students to basic finance theory that forms the foundation of modern finance. It provides the necessary theoretical background for the second term on empirical asset pricing. Second, the course offers students with hands-on experience of using computable pricing models to analyze and price modern financial instruments such as swaps and mortgage-backed securities.

Asset Pricing II:

This course forms the second part of the Asset Pricing sequence. Although the course is entitled 'Empirics', there will be a good deal of theoretical content in it. The best work in asset pricing arises from the interplay between theory and empirics. The goal of this course is to combine econometrics, micro- and macro-economics, with a view to understanding, interpreting and predicting movements in asset prices.

Corporate Finance I, II:

This course provides students with an overview and introduction to corporate finance. It introduces students to the main areas of corporate finance. It begins by discussing financial systems and sources of finance for companies. It then considers corporate governance from the perspective of principal-agent models. It then describes discounting and investment appraisal followed by capital structure. The second half of the term addresses more specific topics in corporate finance, namely dividends, new equity issues, takeovers, financial contracting and corporate restructuring.

Economics I, II:

This course introduced students to core elements of modern economic theory and applications. It exposes students to some of the tools which are necessary for work in economics, and provides a foundation for further study and research. We consider selected topics drawn from (i) classical microeconomics; (ii) macroeconomics; (iii) game theory; (iv) industrial organization; (v) asymmetric information and contract design; (vi) bargaining; (vii) theories of the firm and organizations; and (viii) auctions. The precise topics covered may vary from year to year. The applications used throughout the course are chosen to be of relevance and of interest to future practitioners in the financial sector.

Financial Econometrics I,II:

Financial econometrics I and II introduces students to modern financial econometrics, providing them with appropriate techniques for empirical

investigation in financial economics and an understanding of uncertainty. It also provides the basic background in terms of probability theory and stochastic processes for the other core courses in the MFE.

Assessment

- Examinations
- Assignments
- Individual Projects

12. Support for students and their learning

College support: all students are affiliated to a college where they are able to benefit from the normal range of support open to all Graduate Students. This includes an individual College Advisor responsible for the general welfare of an individual student and a general Tutor for Graduates, or a Senior Tutor, who is responsible for the collective welfare of a college's graduate students. The University has a counselling service offering advice and support to all students.

Students have the opportunity to mix with other postgraduate students and with faculty in the informal environment provided by the Business School's Common Room and the more formal setting provided by research seminars. These occur weekly and tend to involve an open seminar, a finance seminar, and a themed seminar on three days of each week in term time. In addition, students are encouraged to attend all departmental seminars and invited lectures.

In the two weeks before the start of the course students will be given a revision course in maths, focusing on calculus, linear algebra and introductory probability. In addition they will receive a series of classes in Matlab, which is a scientific programming language and a course in Accounting.

Library and Information Services

The Sainsbury Library offers a modern and attractive study area and an innovative information support service with a strong emphasis on electronic resources and delivery.

It comprises of two spacious floors, both of which are wireless-enabled, as well as an array of networked study desks, PCs, copiers and printers. The busy Lower Reading Room contains copies of books and articles on reading lists, and may be used for quiet talking and group work, while the Upper Reading Room is dedicated to quiet study and research and houses the research collections, as well as generous study space.

In addition to the print collection, the library provides a dedicated gateway to a rich and powerful collection of electronic resources accessible from the School's Intranet which includes access to business databases, financial and economic data, industry and market research reports, e-journals, e-books, and course reading lists with direct links to online readings. The library's sharepoint site also provides a seamless gateway to the thousands of additional information products provided by the combined libraries that form the renowned Bodleian Library at Oxford University.

The library gateway and its databases are accessible to students from anywhere in the world. Experienced library staff are available for in-depth help with finding and using more complex information sources for research, course projects and theses, as well as general advice and information support.

A tutorial on using the library and IT facilities will be provided at the induction sessions.

Information Technology

Saïd Business School has a staffed Helpdesk, a modern network with wireless access and generous access facilities. Through the School's intranet, students can access:

- Course material including timetables, reading lists, lecture notes, examination preparation, seminars, projects and other course-specific information.
- The rich and powerful collection of electronic resources outlined above.
- Careers site with news, events and employment information.
- Links and guidelines for computer usage, email, network status, search engines, telephone/email lists, maps, news, local information, etc.
- Links to relevant websites including the SBS external website, the OBA website

Students also have the use of IT facilities provided by their College, and those provided by the Oxford University Computing Services (OUCS). Visit <http://www.oucs.ox.ac.uk/>.

Career Skills

The Careers Centre provides the core careers research and information facility for students at Saïd Business School. The Centre provides students with support for their job search, interview preparation and career development planning. Students and staff from the Centre use a system known as CareerConnect to coordinate all career-related activities and to host a mass of relevant information relating to individual employers, industries and key aspects of a student's job search, such as CV writing, cover letter preparation etc. An audio-visual facility within the Centre is also available for student use, for example with interview training and video conferencing.

Oxford Business Alumni Network

Overseen by the Alumni Relations Office, the OBA Network is the Saïd Business School, University of Oxford's official global business alumni network. Launched in 1998, the OBA Network brings together individuals who share a common interest in business, ensuring an active network of emotionally and intellectually engaged alumni who support and further the School's vision, and serve as proud ambassadors around the globe.

The OBA Network continues to expand and now boasts more than 8,700 members, comprised of School degree programme alumni, current School post-graduate degree programme students, University of Oxford alumni interested in business and qualifying Executive Education participants. The OBA Network membership is very diverse and international, with members living in 129 countries throughout the world. Students automatically become eligible for OBA Network membership as soon as they matriculate.

Oxford Business Networks (OBNs) & Special Interest Groups (SIGs). The Alumni Relations Office oversees the Oxford Business Networks (OBNs) and Special Interest Groups (SIGs), which sit within the framework of the overarching OBA Network. The OBNs are industry-specific groups and SIGs are interest-focused groups. These networks are student-led committees and include alumni interested in the particular focus of each network or group.

OBNs are industry-specific groups for students, academia and professionals. They exist to promote the exchange of ideas and knowledge surrounding an industry. These sector-based groups create opportunities for worldwide relationship building and information sharing. The OBNs are student organised and driven. Six OBNs linked to the School's strategic vision will run each year. In addition to the six core OBNs, students will have the opportunity to pitch to run non-core OBNs to the Alumni Relations Office for annual support. Industry sectors that have been represented in the past are (the core six OBNs are listed with asterisks): Entrepreneurship*, Social Entrepreneurship*, Finance*, Management Consulting*, Private Equity*, Energy and Resources*, Media & Marketing, Retail & Consumer Products, Social Finance, Real Estate, International Development, International Management, Healthcare, Environment, Corporate Social Responsibility, Technology.

SIGs unite individuals in areas of common interest that transcend geographical and functional boundaries. These special interest groups can be driven by current students and alumni and can be diverse in their scope and remit. The SIGs that have been represented in the past are: Women in Business, Strategic Focus on Africa, Leadership, Asia Pacific.

Language Learning Resources

The University Language Centre provides resources and services for all students who need foreign languages for their study, research or personal interest. They offer a mixture of paid and free language courses in ten foreign languages and English. The Language Library (and archives) holds materials in about 140 languages as printed material, sound recordings, video recordings, off-air recordings, foreign language films, periodicals, pamphlets, multimedia, electronic and online resources. The collection is constantly expanding as students and staff request materials in new languages for their study or research. The Centre's Study Area (computer-based learning resources and audio/video study rooms) is available to students. Visit <http://www.lang.ox.ac.uk/>.

13. Criteria for admission

Intellectual

A good undergraduate degree is required. Candidates do not necessarily have to have graduated in economics or financial economics.

All candidates are required to take the GRE or GMAT test. Scores above 90% level will be sought but a high score does not guarantee a place and a lower score does not automatically disqualify an applicant. The ability of students to acquire analytical skills will also be assessed through the written work submitted and, for short-listed candidates, the interview. In addition to assisting in a general

evaluation of the aptitude, enthusiasm and character of the applicant, the interview will be designed to establish the ability of the student to develop the necessary technical skills in theoretical and applied economics.

Mathematical and statistical ability

A sound background in mathematical and statistical tools is advantageous but not a requirement. Students without such a background will be expected to demonstrate a willingness and ability to learn and use these tools. At the start of the course all students are expected to have a working knowledge of calculus and should know the basics of vectors and matrices, probability, statistics and econometrics. Further, we expect them to continue the development of their mathematical skills during the first term, following various additional courses we will provide. The courses will be treated analytically, and many of the concepts will involve mathematical techniques.

Professional experience

Candidates are not required to have previous work experience and this would not disadvantage them in any way.

English Language proficiency

The programme is taught in English. Candidates for whom English is not their first language are required to take either the TOEFL or IELTS tests. The required standard is TOEFL English Language at 109 points or IELTS at 7.5.

14. Methods for evaluation and improving the quality and standards of learning

Responsibility for the course is vested in the Social Sciences Division. The divisional board has formal responsibility for the maintenance of educational quality and standards in its broad subject area. The MFE programme is organised jointly by the Department of Economics and the Saïd Business School. A programme Standing Committee has been established by the Social Sciences Division and will perform the following functions:

1. Consider teaching requirements of the MSc and ensure that such teaching is organised and carried out effectively;
2. Be responsible for admissions to the MFE programme, taking account of any university regulations and admissions guidelines and quotas proposed by the Saïd Business School Executive Committee and the General Purposes Committee of Economics;
3. Initiate desired changes to existing programmes and keep under review overall quality of the courses;
4. Elect 2 student representatives who will join the committee meeting for unreserved business, students to be elected at the start of Week 1 of Michaelmas term, for that term, and at the start of Hilary term to serve for Hilary and Trinity terms;
5. Receive and review financial reports and budget bids from relevant budget holders;
6. Consider and, where necessary, seek further clarification on the reports of examiners for the MFE degree and take appropriate action, including advising

the Saïd Business School Executive Committee and the Graduate Studies Committee of Economics;

7. Be responsible for the allocation and award of scholarships and studentships;
8. Consider and recommend MFE fee levels to Economics' General Purposes Committee and Saïd Business School's Executive Committee;
9. Review Careers Service for MFE students and alumni;
10. Formulate and keep under review the assessment regime;
11. Formulate and review annually the programme specification;
12. Formulate and review annually the course handbook;
13. Prepare a schedule of, and timetable for, lecturing and other teaching, each term;
14. Take minutes of all meetings and forward minutes and supporting papers to the MFE Standing Committee members, Saïd Business School Executive Committee, Economics Department's General Purposes Committee, Head of Admissions, all lecturers on core courses [except for items on course evaluations], Heads of each Elective, Saïd Business School faculty intranet;

Role of the Social Sciences Division: Departments are required to submit each year a detailed report for each course to the divisional board's Academic Committee responding to the issues raised by examiners, and including a more general review of provision. The Division reports in turn to the Education Committee (EdC) of the University Council, highlighting any major issues and action taken or planned. The Division reviews new graduate programmes five years after they have been established, and alongside the EdC, conduct reviews of departments and faculties on a six-yearly cycle. These reviews include a thorough examination of all teaching and learning provision.

15. Regulation of assessment

15.1 Components of the Degree

The MSc in Financial Economics consists of: Core courses and Electives. The credits associated with each component are as follows:

	Maximum Credits
Core courses	8 [2 per course]
Electives	5* [1 per course]

*of which one may be an individual project

The MSc in Financial Economics is awarded to candidates who achieve at least 12 credits with an overall average of 50%.

For *core courses*, 2 credits are awarded for a mark of 50 or more, and 1 credit is awarded for a mark between 45 and 49. Credits are not awarded for a mark of less than 45.

For *elective courses*, 1 credit is awarded for a mark of 50 or more. Credits are not awarded for a mark of less than 50.

15.2 Marking Convention

Distinction level:

80-100	Superb work
75-79	Excellent work
70-74	Fine work

Pass level:

65-69	Strong pass
55-64	Good pass
50-54	Pass *see paragraph B (note the 40% minimum mark required for individual formal coursework and formal examinations)

Fail:

45-49	Marginal fail
0-44	Outright fail

15.3 Evaluation

- A. Courses may be assessed by examination, individual assignment, group assignment, and practical work, subject to the following three constraints. First, at least 50% of marks in any core or elective course must be assigned to individual work. Second, a maximum of 40% of the marks can be assigned to practical work. Third, multiple choice questions in examinations should normally be limited to a maximum of 20% of the examination mark.

- B. Credits are earned for all courses on which an overall mark of at least 50% is achieved and a minimum of 40% is achieved on individual formal coursework (in aggregate) and a minimum of 40% in examinations.
- C. Assessed work that has model solutions will be single marked and subject to an administrative check. Practical work will be set and assessed by course teachers or their teaching assistants, subject to approval of the process and content, by the MFE Committee and the MFE Examiners, and will normally be single marked. All other forms of assessment will normally be double marked.
- D. Re-scaling of marks may occur if the marks of an individual assessor or examiner are outside the range of variation recommended by the University's Education Committee and there is no acceptable explanation for the divergence.
- E. There is no compensation between courses for failing marks.
- F. The Examiners may award Distinctions to candidates for overall excellence in the MFE course at their discretion. Distinctions normally accrue to candidates achieving an average mark of at least 68, with marks of 70 or more for at least 6 of the credits, and no course fails.
- G. If a candidate fails a course, they are given one further opportunity (but are not required) to pass the course by completing the re-sit examination and/or assignment. The form of assessment for the re-sit may differ from the original form of assessment. In many cases one examination will cover the whole course, in which case the re-sit examination may well be longer (in length of paper and time) than the original sit examination component. For electives shared with the MBA, the MBA re-sit rules will apply (see MBA Assessment Regime), whereby normally the re-sit for a failed examination will be a new examination paper, the re-sit for a failed coursework assignment will be a new assignment and the re-sit for failed Practical Work may be a special examination or a different assignment, at the discretion of the teacher.
- H. The maximum mark that will be awarded on a re-sit is 50%. For core courses, the final mark for the entire course shall be the higher of (a) the mark achieved on the re-sit and (b) the overall mark achieved on the original assessment (the weighted average of examination marks and the marks achieved on any assignments and/or practical work). For electives/the project, the final mark for the elective/project shall be the mark achieved in the re-sit examination.
- I. Late submission of formal coursework (individual and group) may, if the Proctors so authorize, be penalised, depending on the circumstances, by a deduction of between 5% and 20% of the mark. In the case of practical work (individual and group) the below penalties will apply:
 - 0-15 minutes: deduction of 10 percentage points.
 - 15-30 minutes: deduction of 20 percentage points.
 - More than 30 minutes late: 0 marks

- J. Where a coursework assignment has a set maximum word length, a fixed penalty of 10 percentage points (ie marks) will be deducted for not including the word length. Any such action taken will be reported to the next Examiners meeting. The Examiners also reserve the right to impose a penalty of between 5 and 20 marks in cases where a stated word limit is seriously exceeded.
- K. Re-sits or resubmissions must take place at the first opportunity provided by the Examiners.
- L. The Examiners will only examine a candidate viva voce in exceptional circumstances.
- M. A statement must be submitted with all individual written assignments declaring that the work is that of the individual candidate. In the case of group assignments, a statement must be submitted declaring that each student has contributed significantly and proportionately to the work. All materials taken from published or transmitted sources must be clearly referenced by standard academic methods such that the Examiners will be able to trace the sources without difficulty.
- N. Candidates requiring special arrangements for the examinations for reasons of illness or disability must make prior application, via their College Office, to the Proctors' Office. The Proctors' rules concerning arrangements in cases of illness, disability, etc are detailed in the Examination Regulations (Grey Book) and in the Proctors' booklet, Essential Information for Students.
- O. Where, for whatever reason, a candidate is unable to participate properly in a group undertaking an assessed assignment, the Examiners may at their discretion accept an individual submission or resubmission for assessment according to the same standards.
- P. Examiners should never be approached directly by candidates or by supervisors acting on their behalf.

16. Indicators of quality and standards

- In the 2008 UK Research Assessment Exercise, 95 percent of all research activities by Oxford economists were classified as internationally excellent in terms of originality, significance and rigour (3* or better), with 40 percent of activities regarded as world leading (4*). This places Oxford with more 4* research activities in total than any other UK Economics Department. Research Fortnight also ranks Oxford Economics first for research power, a measure that takes into account of both the quality and the quantity of research submitted.
- In terms of research, Saïd Business School is assessed as part of the UK Research Assessment Exercise. In the most recent assessment (2008), 70 percent of the School's research activity was rated 4* or 3* (quality that is world-leading or internationally excellent in terms of originality, significance and rigour).
- Other important indicators of the quality of the students and programme include employer's enthusiasm for recruiting MFE students. Saïd Business School monitors employment success rates very carefully and has achieved excellent results. More than 88% of recent graduates seeking employment had secured offers within three months of completion.
- Finally, Saïd Business School and the University consider reports from External Examiners on a regular basis and implement suggestions on review.