

**New Sequence
Applied Master's Program
Department of Economics**

Institution: Illinois State University

Department: Economics

Proposed Program Title: Financial Economics

Previous Program Title: N/A

CIPS Classification:

Date of Implementation: Fall 2008

Description of Proposed Program Change: The proposed Financial Economics sequence in the Masters in Applied Economics is a collaborative effort between the Department of Economics and the Department of Finance, Insurance, and Law. The thirty-four hours of credit must include the core courses: ECO 437 (3 hours), ECO 438 (3 hours), 439 (3 hours), 440 (4 hours), 441 (3 hours), ECO 492 (3 hours), and ECO 495 (3 hours), for a total of 22 hours; FIL 404 (2 hours), FIL 440 (3 hours), and 3 credit hours in FIL 400-level electives; 4 credit hours of additional electives at the 300 or 400 level within or outside Economics and selected in consultation with the Graduate Program Director. Before enrolling in the sequence students must consult the Graduate Program Director of the Department of Economics and the MBA Program Office and obtain approval for registering for FIL courses. Students in the graduate program in the Department of Economics who satisfy the following requirements may take graduate level finance course offered by the College of Business: (1) The student must have taken and passed ECO 437 with a grade of B or better; (2) The student must have a graduate GPA of 3.0 or above; and Qualified students must take and pass FIL 404 or equivalent (equivalent means that the student has either taken a similar course at the undergraduate level or passed a proficiency exam administrated by the MBA Program Office) before registering for FIL 440.

Rationale for Proposal: The rationale for the proposed financial economics sequence is twofold. First, there is a keen interest by students for a sequence in financial economics. Second, the area of financial economics has been an emerging field in which there are tremendous employment opportunities.

Expected Impact of Proposal on Existing Campus Programs: The details of the proposed sequence have been presented to the Department of Finance, Insurance, and Law and agreed upon as the letter of support documents.

Expected Curricular Changes, Including New Courses: No new courses will be created with this sequence.

Anticipated Staffing Arrangements: The proposed change was agreed upon by the faculty of the Department of Economics and the Department of Finance, Insurance, and Law.

Anticipated Funding Needs and Source of Funds: No new funding is required for this proposed sequence.

Proposed Catalog Copy:

Financial Economics: This sequence provides students training in the financial theory of the firm, financial markets and institutions to complement their training in applied economic analysis. The thirty-four hours of credit must include the core courses: The thirty-four hours of credit must include the core courses: ECO 437 (3 hours), ECO 438 (3 hours), 439 (3 hours), 440 (4 hours), 441 (3 hours), ECO 492 (3 hours), and ECO 495 (3 hours), for a total of 22 hours; FIL 404 (2 hours), FIL 440 (3 hours), and 3 credit hours in FIL 400-level electives; 4 credit hours of additional electives at the 300 or 400 level within or outside Economics and selected in consultation with the Graduate Program Director. Before enrolling in the sequence students must consult the Graduate Program Director of the Department of Economics and the MBA Program Office and obtain approval for registering for FIL courses. Students in the graduate program in the Department of Economics who satisfy the following requirements may take graduate level finance course offered by the College of Business: (1) The student must have taken and passed ECO 437 with a grade of B or better; (2) The student must have a graduate GPA of 3.0 or above; and Qualified students must take and pass FIL 404 or equivalent (equivalent means that the student has either taken a similar course at the undergraduate level or passed a proficiency exam administrated by the MBA Program Office) before registering for FIL 440.

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May 9, 2007

To: Curriculum Committee
College of Arts and Sciences

From: S.J. Chang, Associate Dean
College of Business

Subj: Financial Economics Sequence

This memo is to express that the MBA Program of the College of Business fully supports the development of the financial economics sequence for students in the graduate program of the Department of Economics in the College of Arts and Sciences. The development of this sequence is the result of collaboration between the Department of Economics and the MBA Program in designing the program from existing courses which specifies the following basic terms.

Prior to enrolling in the sequence interested students must consult with the Graduate Program Director of the Department of Economics and the Office of the MBA Program for approval to enter the sequence. The student must have taken and passed ECO 437 with a grade of B or better. The student must have a graduate GPA of 3.0 or above. Qualified students must take and pass FIL 404, Theory of Managerial Finance or equivalent (equivalent means that the student has either taken a similar course at the undergraduate level or passed a proficiency exam administered by the MBA Program Office) before registering for FIL 440, Financial Management. FIL 440 is a prerequisite for other graduate level FIL courses.

The financial economics tract within the master's program in the Department of Economics will consist of 8 credit hours: two required courses, FIL 404 (2 credit hours) and FIL 440 (3 credit hours) and one FIL 400-level elective (3 credit hours).

This memo also notes that the agreement ensures future partnership between the two academic units whereby graduate students at College of Business shall be able to take graduate level courses offered by the Department of Economics under appropriate conditions to be agreed upon.

Professor S.J. Chang
Associate Dean for MBA
and Undergraduate Programs