

**NEW YORK UNIVERSITY**  
**STERN SCHOOL OF BUSINESS**

**An Introduction to**  
**The Financial Service Industry**

**FINC -UB 19 01, Spring 2026**

**(1.5 Credits Pass/Fail)**

**Professor James S. Finch**

**[jf8@stern.nyu.edu](mailto:jf8@stern.nyu.edu)**

**Goals of the Course**

Introduction to Finance

This course introduces NYU Stern students to the finance major and potential career paths in the financial services sector. Historically, about 70% of Stern students major in finance, and over 90% of them pursue careers in the field, primarily within financial services. The course is designed to lay the foundation for the next three years at NYU Stern. It is organized into three parts: (i) the theoretical foundations of modern finance, (ii) an overview of the financial services industry where these theories are applied, and (iii) guidance on preparing for future job searches in this industry. Modern finance theory began to take shape in the 1950s and evolved rapidly over the following quarter century. Its core foundations are generally attributed to several key ideas: (i) the net present value rule introduced by Irving Fisher, (ii) Harry Markowitz's mathematics of diversification, (iii) the Modigliani-Miller theorem on the independence of investment and financing decisions, (iv) William Sharpe's capital asset pricing model, (v) Eugene Fama's efficient markets hypothesis, (vi) the no-arbitrage principle and option pricing model developed by Fischer Black, Robert Merton, and Myron Scholes, (vii) behavioral finance theories advanced by Robert Shiller and Richard Thaler, (viii) the modern theory of banking formulated by Douglas Diamond and Philip Dybvig, and (ix) Robert Engle's time-varying risk

models. Almost all of these scholars were awarded the Nobel Prize in Economics. Together, their groundbreaking work transformed finance from a descriptive field into a rigorous, quantitative discipline that continues to shape research, policy, and practice today. In applying these theories to practice, the financial services industry plays a crucial role in connecting savers with investors, ensuring that capital flows efficiently to its most productive uses. By providing essential tools for investment, credit, and risk management, it enables firms to raise funds for growth and innovation while helping individuals make informed investment decisions to build wealth over time. This course centers on four key questions: (1) How are things done in the financial sector? (2) Why are they done that way? (3) How are they likely to evolve in the future? and (4) What will your role as an employee be, and what skills will you need to succeed in this business? The course takes a practical approach by examining the major activities of financial services firms, including raising capital, providing financial advisory services, broker/dealer operations, trading, investing the firm's own capital, managing assets for institutions and individuals, and managing risk. The course concludes with an exploration of the process of pursuing a career in the financial services industry. Topics include interviewing, networking, and career counseling, with practical advice on how to navigate each stage effectively. Students will also hear directly from industry practitioners, recruiters, and a panel of fellow students who share their experiences. The final session outlines the various academic and professional paths available to students at NYU Stern.

### **Required Readings**

Required readings – e.g., current articles will be distributed in class or linked on NYU Classes. For those students who would like to refer to a textbook, David P Stowell's "An Introduction to Investment Banks, Hedge Funds and Private Equity" and K. Thomas Liaw's "The Business of Investment Banking: A Comprehensive Overview" (2012 Edition) are good reference texts. I will be referring to "The Business of Investment Banking: A Comprehensive Overview" frequently during the semester, so it is highly recommended to purchase either a printed or audible version of this book. In addition, "Barron's Dictionary of Finance and Investment Terms" by John Downes and Jordan E. Goodman, and; "The Wall Street Journal's Guide to Understanding Money and Investing" by Alan M. Siegel, Kenneth M. Morris, Virginia B. Morris will be used as references throughout the class. **Students are expected to keep up with the financial news throughout the course. The Wall Street Journal, *The Financial Times*, *The Economist* and Bloomberg.com are recommended.**

**Many of my exam questions are taken from current situations, so keep up with what is happening in the world!**

## **Brightspace**

“Brightspace” is an integral part of this course, and you are responsible for any information posted there. **In particular, be sure to look under the “Announcements”, “Assignments” and “Content” tabs in preparing for each class. The content of the course is listed in the "Modules" space under the "Content" tab in Brightspace. All classes will be video recorded and can be accessed for future reference in the "MediaSite" tab in Brightspace.**

## **Speakers**

Outside speakers will be a part of the course as scheduled.

## **Grading**

The final grade will be allocated according to the following formula:

Final Exam	100%
------------	------

The Final will be closed book, will be given during the scheduled Final Exam Time noted on Albert using the Brightspace Module for timed assignments. The Final will be multiple choice. You must be in class with your computer in order to take the Exam. The answers to the Final will be posted on Brightspace following the exam and students are invited to compare their answers to the answer key. If they feel that their exam was scored incorrectly, they may first submit the issue to the TF for review. If a satisfactory result is not obtained, they may then submit the issue to me for a full review. I reserve the right in such situations to review the entire exam/quiz for regrading. You have one week from receipt of a grade to do this.

I also reserve the right to add up to 10 points to the student’s total grade for noteworthy contribution to the class discussion. That said, my ability to change the course grade of a student as a result of these additional points will be limited by Stern's grade curving guidelines which caps the absolute number of "A"'s and "A-"'s in a class.

Attendance, preparation and class participation are an integral part of this course. In particular, students who have a large number of unexcused absences, who consistently arrive late or who disrupt the class will have their course grade reduced as a result.

At NYU Stern we seek to teach challenging courses that allow students to demonstrate differential mastery of the subject matter. Assigning grades that reward excellence and reflect differences in performance is important to ensuring the integrity of our curriculum.

The grade distribution will follow approximately the Stern guidelines.

**All students are expected to abide by the NYU Stern Honor Code.**

### **Students with Disabilities**

Students whose class performance may be affected due to a disability should notify the professor early in the semester so arrangements can be made, in consultation with the Henry and Lucy Moses Center for Students with Disabilities, to accommodate their needs.

Please see [www.nyu.edu/csd](http://www.nyu.edu/csd) for more information.

### **Student Accessibility**

If you will require academic accommodation of any kind during this course, you must notify me at the beginning of the course (or as soon as your need arises) and provide a letter from the Moses Center for Student Accessibility (212-998-4980, [mosescsa@nyu.edu](mailto:mosescsa@nyu.edu)) verifying your registration and outlining the accommodations they recommend. For more information, visit the CSA website:

<https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

### **Student Wellness**

Classes can get stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at 212 443 9999, or via the “NYU Wellness Exchange” app. There are also drop-in hours and appointments. Find out more at:

<http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

### **Name Pronunciation and Pronouns**

NYU Stern students now have the ability to include their pronouns and name pronunciation in Albert. I encourage you to share your name pronunciation and pronouns this way. Please utilize this link for additional information: [Pronouns & Name Pronunciation](#)

### **Religious Observances and Other Absences**

NYU's Calendar Policy on Religious Holidays states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. You must notify me in advance of religious holidays or observances that might coincide with exams, assignments, or class times to schedule mutually acceptable alternatives. Students may also contact [religiousaccommodations@nyu.edu](mailto:religiousaccommodations@nyu.edu) for assistance.

NYU Stern is committed to ensuring an equitable educational experience for all students regardless of identity or circumstances and strives to recognize the obligations its students have outside of Stern. Please review all class dates at the start of the semester and review all course requirements to identify any foreseeable conflicts with exams, course assignments, projects, or other items required for participation and attendance. If you are aware of a potential conflict, please contact me as soon as possible to discuss any potential conflicts to determine whether/how they can be accommodated.

**\*If full attendance is required:**

### **Religious Observances and Other Absences**

NYU's Calendar Policy on Religious Holidays states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. You must notify me in advance of religious holidays or observances that might coincide with exams, assignments, or class times to schedule mutually acceptable alternatives. Students may also contact [religiousaccommodations@nyu.edu](mailto:religiousaccommodations@nyu.edu) for assistance.

Except for religious observances or other absences that may be required in compliance with nondiscrimination law, this class otherwise requires attendance and participation and cannot accommodate conflicts. Please review all class dates at the start of the semester and review all course requirements to identify any foreseeable conflicts with the final exam, course assignments, projects, or other items required for participation and attendance. If you are aware of a potential conflict, it is strongly recommended that you do not take this class.

## **Inclusion Statement**

This course strives to support and cultivate diversity of thought, perspectives, and experiences. The intent is to present materials and activities that will challenge your current perspectives with a goal of understanding how others might see situations differently. By participating in this course, it is the expectation that everyone commits to making this an inclusive learning environment for all.

## **Schedule of Classes**

**Tuesday, Jan. 20 - Course Introduction. Why is Finance Important? (Profs Finch and Richardson)**

- How and why has finance broadly bettered society and our lives within it? What you will learn in this class.

**Thursday, January 22 – The Net Present Value Rule and the Modigliani-Miller Theorem (Prof Richardson)**

**Tuesday, January 27 – Diversification, Risk & Return (Prof Richardson)**

**Thursday, January 29 – Efficient Markets, No Arbitrage and Derivatives Pricing (Prof Richardson)**

**Tuesday, February 3 – An Introduction to the Financial Services Industry: Banking, Insurance and Capital Markets (Prof Finch)**

**Thursday, February 5, - Raising Capital (Prof Finch)**

**Tuesday, February 10 -Sales/Trading, Financial Engineering/Structured Products/Securitization (Prof Finch)**

**Thursday, February 12 – Advisory work, M&A (Prof Finch)**

**Tuesday, February 17 – Legislative Day**

**Thursday, February 19 - Asset Management (Prof Finch)**

**Tuesday, February 24 – Financial Services Career (Outside Speaker)**

**Thursday, February 26 – Headhunter: What Firms Look For/Career Counseling (Outside Speaker)**

**Tuesday, March 3 – Sophomore Year – The Job Market Process (Student Panel)**

**Thursday, March 5 – NYU Stern Finance Path (Prof Richardson)**

**Tuesday, March 10 – Final Exam**

**Suggested Reading List**

All of the suggested readings can be found on Amazon.com for purchase or in the NYU or Public Libraries.

Readings for the Serious Student of Investment Banking

Professor Finch's Best Reads

<b>Title</b>	<b>Author</b>	<b>Subject</b>
Wall Street Street history	Charles Geisst	Wall
The Great Game history	John Steele Gordon	Wall Street
Where Are the Customer's Yachts? Street history	Fred Schwed	Wall
Barbarians at the Gate RJR/Nabisco	Bryan Burrough, John Helyar	LBO of
The Predators Ball Milken and junk bonds	Connie Bruck	Mike
Liar's Poker Lewis	Michael Salomon in the '80s	
When Genius Failed Term Capital	Roger Lowenstein	Long
Paper Fortunes Wall Street history	Roy C. Smith	Modern
Blue Blood and Mutiny Stanley history	Patricia Beard	Morgan

The House of Morgan Morgan: The Firm	Ron Chernow	J P
House of Cards Stearns collapse	William D. Cohan	Bear
The Last Tycoons Freres history	William D. Cohan	Lazard
The Partnership Sachs history	Charles D. Ellis	Goldman
The House of Rothschild over 200 years	Niall Ferguson	Rothschild
Accidental Investment Banker an investment bank	Jonathan A. Knee	Life inside
Tearing Down the Walls Weill and Citigroup	Monica Langley	Sandy
Take on the Street views	Arthur Levitt	Regulator's
F.I.A.S.C.O Partnoy	Frank Derivatives Business	
Infectious Greed title suggests.	Frank Partnoy	Just what the
Confessions of a Wall Street Analyst research scandal – 1999	Dan Reingold	Equity
Den of Thieves trading scandal of 1980's	James Stewart	Insider
Morgan The Man	Jean Strouse	J P Morgan:
Fool's Gold derivatives	Gillian Tett	Credit

In Fed WE Trust Federal Reserve	David Wessel	The
Too Big to Fail Financial Crisis - 2008	Andrew Sorkin	The
The Greatest Trade Ever Paulson's Hedge Fund	Gregory Zuckerman	John
The Big Short Collapse/ Hedge Fund Managers	Michael Lewis	Mortgage
Crash of the Titans Merrill & Fall of B of A	Greg Farrell	Collapse of
Money and Power Sachs ruling the world	William Cohan	Goldman
More Money Than God Hedge Funds	Sebastian Mallaby	History of
King of Capital Schwarzman & Blackstone	David Carey, John Morris	Steve
Reckless Endangerment Fannie Mae/Freddie Mac	Morgenson & Rosner	Downfall of
The New Tycoons Private Equity Industry	Jason Kelly	The
Dark Pools trading and strategy	Scott Patterson	Dark pools
The Quants Quantitative methods	Scott Patterson	The rise of
Young Money Analyst two years	Kevin Roose	Eight
Flash Boys Trading	Michael Lewis	Flash

What Happened to Goldman Sacks Steven Mandes of the partnership culture		The decline
Open Secret LIBOR Scandal	Erin Arvedlund	The
The Caesars Palace Coup Equity Takeover	Sujeet Indap	Private
Big Men Financing	A Film by Rachel Boyton	Big Oil