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FINANCIAL ENGINEERING TEAM REPORT

November 2006

Financial Engineering Center, P.O.Box 5190, Kent, OH 44242
www.business.kent.edu/msfe revans@msfe.kent.edu 330.672.0190

Why Choose MSFE at Kent State University?

By Wei (William) Liu, '06

The Master of Science in Financial Engineering at Kent State is the program that fuses finance with mathematics, which means to apply math in tackling financial issues.

The idea of using math in non-physical science fields could be traced back to 1940s when the great 20th century mathematician John von Neumann suggested that economists could become more effective if they had used mathematical tools in their research of economic phenomena. Today, Neumann's idea has not only been materialized, it is the norm. Not surprisingly finance, given its intricacy and complexity, is one of the areas where math has shown its power and magic. This was hallmarked by the discovery of Black-Sholes-Merton option pricing model in 1970s.

Thus, for an individual, choosing financial engineering (various synonyms exist, i.e., mathematical finance, quantitative finance...etc) is consistent with the growing trend of mathematization of finance which has been undergoing over the past half century. One might be tempted to ask: given the role math has played in finance and economics, why not go directly to a math major? The answer is simple and straightforward: mastering any of the two would be good, but knowing both would make you better.

There are two underlying factors that differentiate Kent State's MSFE from other similar ones. First is its emphasis on establishing close ties with the finance industry. As an intense one-year program, two field trips are embedded – one in the fall semester to Chicago and the other in the spring to New York. These trips will enable the students to interact directly with the companies – who are “real” players in this industry. By so doing, the students will gain some first hand understanding of how the finance industry is structured, who participates in it, and how the process is played out. Beyond the trips, the program also invites guest speakers – some senior figures in the industry to discuss various topics regarding finance on a weekly basis. And it is a great opportunity to learn from these industrial seniors through the discussion.

One's academic capability is an essential step towards success. But it is not the only one. Intellectual curiosity, common sense, strong self-discipline, and honesty come no less important than academics. None should be sacrificed for the other.

The second point is that MSFE at Kent State facilitates student's understanding, practice, and engagement in trading. The state-of-the-art Trading Floor is no different (if not better) than many major trading facilities you can anticipate at investment bank, or proprietary trading houses. The

curriculum besides its math components, is also structured to understand and learn how to trade. As a result, MSFE at Kent State is an ideal program for those who would pursue a career in trading, although it is not limited to that.

What does it mean to take part in and succeed in MSFE at Kent State? Well, a background in finance, math, engineering, computer science or MBA (most of the students do come from these majors) certainly would help, but it is not a must. The program has students from disciplines which are remotely distant from math or engineering.

For the sense of prestige it entails, the potentials it provides and the benefits it produces, a career in the finance industry would be exciting, if not ecstatic. It is worth pursuing for anyone who wants to excel, flourish and self-accomplish. And an opportunity to achieve these is exactly what MSFE at Kent State has to offer.

Financial Engineering Information Sessions

The Financial Engineering Information Sessions explain to prospective students what Financial Engineering is and information on how to apply for the program. The benefits of attending one of these sessions is that the student will have the opportunity of talking to a representative of the Graduate School of Management as well as the Director and Administrator for the program. After a brief presentation, attendees have an opportunity to ask questions and hear the questions of other prospective students.

The sessions take place on the Olga A. Mural Financial Engineering Trading Floor in the College of Business Administration on the fourth floor, room 401. Seating is limited, for reservations contact Rebecca Evans via email at evansr@kent.edu.

Schedule:

Monday, November 13, 7:00 PM

Tuesday, November 14, 1:00 PM & 6:00 PM

Friday, November 17, 5:00 PM

Trading Technologies – Ed Shulman Visit

By Ankit Doshi

The session helped us get an in-depth knowledge of the Trading Technologies software – X_Trader Pro. I am sure that the features shown us will be extremely helpful when we use the software to improve and sharpen our trading skills. The lecture was interesting with the real life examples that Ed kept giving us at various times about the common mistakes made by traders. The idea of adding a different sound each time a buy and sell order gets filled was particularly useful.

Patsystems J-Trader – Kevin Condrin Visit

By *Wei-Ting Chou*

J-trader is a high performance trading platform for trader and connects global markets from trading screen. The guest speaker-Kevin Condrin gave excellent instruction of J-trader tools. The lecture included a basic introduction of the function with direct access to electronic markets and exchanges. The lecture was excellent and our understanding of the trading system grew.

Class of 2007 Profile

Class Make-up		Region of Undergraduate Institution	
Male	11	PRC	2
Female	2	Taiwan	1
<i>North America (6)</i>		India	4
United States	6	Arizona	1
Caucasian	4	Michigan	1
Native American	1	New Hampshire	1
Africa American	1	New York	2
<i>Asia (7)</i>		Pennsylvania	1
PRC	2	Texas	1
Taiwan	1		
India	4		
Undergraduate Institutions		Average Age upon Entering Program	28
Arizona State University	1	Average Undergraduate GPA	3.23
Beihang University	1	Average Graduate GPA	3.45
Cornell University	1	Average Years Post Undergraduate	
Dartmouth College	1	Work Experience	7
Devi Ahilya Vishwavidy	1	Graduate Institutions	
Gannam Teachers College	1	Arizona State University	1
New York University	1	California State University	1
Tamkang University	1	Harbin Intstitutue of Technology	1
University of Michigan	1	Kent State University	1
University of Mumbai	3	Louisiana State University	1
University of Pittsburg	1	NY Institute of Technology	1
University of Texas	1	University of Michigan	1
Undergraduate Degrees		Graduate Degrees	
Chemical Engineering	1	Applied Chemistry	1
Chemistry	1	Computer Science	1
Computational Math	1	Engineering Science	1
Computer Engineering	3	Law	1
Economics	1	MBA	2
Finance	2	Mechanical Engineering	1
History	1	Region of Graduate Institution	
Landscape Architecture	1	PRC	1
Mathematics	1	Arizona	1
Mechanical Engineering	2	California	1
		Louisiana	1
		Michigan	1
		New York	1
		Ohio	1

17th APFRS

The Grand Hyatt has been selected as the venue for the 17th APFRS. The Grand Hyatt Shanghai is the 'highest hotel in the world' (53rd to 87th floors of the Jin Mao Tower), in the heart of Pudong, Shanghai's financial and business district, with easy access to the Shanghai Stock Exchange, Shanghai World Financial Centre and the International Conference Centre.

The 17th APFRS will do something a little different during this symposium. It was reported that Xiamen University and Jiao Tong University had requested that we hold one session in the Chinese language. This request is quite easy to accommodate. One of the four sessions will be presented in Chinese with English translation for the English speaking audience.

The Organizing Committee

Patrick Catania	Asia West Group
Tom Connelly	Chulalongkorn University
Paul Dawson	Kent State University
Rebecca Evans	Symposium Director, Kent State
Dean Fei	Jiao Tong University
Alex Frino	University of Sydney
Joseph Fung	Hong Kong Baptist University
William Fung	London Business School
Mark Holder	Symposium Executive Dir., Kent State
Prof Yongmiao Hong	Xiamen University
Richard Kent	Kent State University
Kin Lam	Hong Kong Baptist University
Peter Locke	George Washington University
Professor Sin	Xiamen University
Jo Jo So	DMI
Joseph Sweeney	Retired CBOT
Robert Webb	University of Virginia