Practical Finance Education for Duke Undergraduates

The Financial Education Partnership (FEP)

Educational Involvement between Financial Markets Firms and Duke Undergraduates
Equity Research Competition

- Undergraduates were invited to work in teams of three to create buy-side equity research reports on one of a choice of five publicly traded equities.
- 21 teams submitted research reports, of which the FEP Director selected the best ten to present to the 6-person Sponsor panel, who selected the top three teams.
- The winning team received automatic final round interviews for summer internships at the sponsor.
- The day concluded with a reception for the sponsor’s visitors and all 60 students who submitted reports.
- Two members of the winning team from the Equity Research competition were ultimately offered summer internships with the Sponsor.

Training the Street Financial Valuation Seminar

- Close to 100 students attended this four hour, intensive valuation seminar provided by Training the Street (TTS), a New York financial training firm, immediately prior to the summer internship recruiting season.
- Designed for Duke undergraduates looking for Summer Internships in banking, the seminar provided an essential foundation in popular valuation techniques, such as:
  - Discounted Cash Flow (DCF) analysis
  - Public Comparables analysis
  - Acquisition Comparables analysis
- This seminar has been offered to Duke undergraduates every year since 2004, and the same Investment Bank has sponsored this event annually since 2006.
**Corporate Valuation Case Study Competition**

- Undergraduates self-selected into three-student teams to produce a PowerPoint presentation evaluating alternative liquidity enhancement strategies for a food company, a case study adapted by FEP for Duke students.
- 15 undergraduate teams submitted presentations, of which 9 were chosen to present to a Panel of representatives from the Sponsor’s banking, debt capital markets, equities, and wealth management divisions.
- The Panel judged the teams based on a set of criteria that included: Presentation Style, Content, Students’ Understanding of both the valuation and the client’s needs, and Quality of Materials.
- The winning team was awarded a day-long visit to the Sponsor and interviews for summer internships.
- The day concluded with a reception for all participating students as well as the visiting Panelists.

- One of the student presenters, a sophomore, was awarded the prestigious President’s Sophomore Internship with the Sponsor for the upcoming summer.

**Finance Madness Game Show**

- 60 undergraduates competed for places in the semis and final round of a Jeopardy-style game show, in front of an audience of students and visitors from the Sponsor.
- The top three contestants were awarded a trip to the Sponsor’s office in New York, to include interviews for summer internships.
- Question topics included:
  - The bond markets
  - Accounting
  - Corporate finance
  - Current events
  - The equity markets
  - Macroeconomics
  - Valuation
  - Financial math

- One of the winners was ultimately offered, and accepted, a summer internship with the Sponsor.

“We were blown away by the quality of the presentations and the level of preparation put into the entire exercise. You should be very proud of your students.”

*Sponsor MD who participated on the Panel.*
The Trading Game was created by FEP Director Emma Rasiel in 2004, and has been sponsored by the same Investment Bank for the last five years. Nearly 80 students participated actively in this Game, in which competitors manage portfolios of global assets throughout the Fall semester, and submit a written trading journal documenting their strategy. Traders are evaluated on the basis of both absolute and risk-adjusted return, subject to risk limits on individual assets and on the portfolio as a whole, based on a Value at Risk (VaR) framework. Winners in each category are flown to New York to visit the sponsor's trading floors, and are interviewed for summer internships. The game concluded at the beginning of December, with a reception for all of the traders as well as visitors from the sponsoring bank. One of the two winning traders subsequently accepted a summer internship with the Sponsor.

“Thank you for organizing all of the events you put together for us Dukies to get enough exposure so that we can be successful going into the Summer [internships]. After interacting with students from other schools, I could tell some were envious of the opportunities we had…we greatly appreciate it.”

Duke undergraduate following a successful summer internship in banking
Curricular Educational Involvement:
Visiting Lectures in Fall 2009

Financial Markets Seminar

- FEP Director Emma Rasiel teaches a class on the financial markets each Fall to around 20 students (primarily juniors). The goal of this course is to expand students' awareness and understanding of financial markets, products offered and the interplay of macroeconomics on asset market movements and valuation.
- Alumni from the financial markets are invited to give visiting lectures to the class. Among 11 visiting lectures during the Fall 2009 semester, topics have included:
  - “The Fateful Weekend when Bank of America Purchased Merrill Lynch”
  - Business Ethics & Due Diligence
  - Virtuous and Vicious Credit Cycles
  - Risk Management in a Financial Crisis
  - The Current State of the Debt Capital Markets

“Participating as an instructor in an effort focused on melding the theoretical with the practical had an enormous impact on me…As a practitioner, I think your teaching philosophy is exactly what Duke needs to continue supporting to evolve with the times.”
Visiting lecturer from FEP Sponsor

Collaborative Research in 2009

Conditional Value at Risk (CVAR) as an Alternative Asset Allocation Tool

- On behalf of DUMAC (the Duke Endowment), two students are evaluating various risk measurement techniques for a diversified portfolio of public and private assets.
- The project includes comparisons of Value at Risk (VaR) and Conditional Value at Risk (CVaR) efficient frontiers, as well as Copula methodologies to estimate tail risk.
- Continuing goals for this project include adding further constraints to the risk measurement model, such as optimal cash reserves, and capital calls and lockups for the endowment’s private portfolio.
- The students will submit their research as an honors thesis towards Graduation with Distinction in Economics.
Additional Engagement Activities:
Minority Program

- During the Fall semester, FEP once again offered a series of evening events for minority students, targeted at the freshmen class. Participants from both the 2007 and 2008 minority programs were active participants in both the marketing and programming of these events.
- The sophomores and juniors have also been enthusiastic mentors and guides to the newest participants.

- FEP also partnered with Kappa Alpha Psi, a Black fraternity, to host the third annual “Minorities on Wall Street” panel event, with an attendance of more than 50 students and representatives from four leading Investment Banks.
- During the Spring semester, FEP has hosted a series of reading group meetings for this year’s freshmen, with an open invitation to previous years’ lunch group participants.
- Three of this year’s juniors have summer internships in banking; two of whom are returning to the firm they interned with last summer, as sophomores.
- Six of this year’s sophomores have accepted investment banking internships for the summer.

Mentor Program

- The goal of the mentoring program is to give undergraduates the opportunity to speak informally with Wall Street professionals, in order to learn more about different areas of investment banking and to obtain help in preparing for the summer intern recruiting process.
- In Fall 2009, more than 90 students were ultimately matched with mentors; the vast majority of whom reported that their mentor provided significant help and advice as they prepared for the rigors of summer internship recruiting.
- Students were assigned to mentors based on the students’ expressed area of interest in banking (e.g. corporate finance, sales and trading, research), not on the basis of a student’s perceived suitability for their mentor’s bank.

“I enjoyed the process and look forward to mentoring more Duke students in years to come.”
*Duke alum & Wall Street MD who participated in the Spring 2010 mentor program*

“It was a pleasure for me to be able to provide some small help and the process kept me up to date with new trends and thoughts on campus as well.”
*Duke alum and Wall Street analyst who participated in the Spring 2010 mentor program*

The FEP sadly says farewell to Clair Raver, who has been FEP Program Director since Fall 2007. Clair’s contributions to the Program, from the very beginning, have been immeasurable. In particular, her dozens of undergraduate advisees will remember her warmth, her candid advice, and her support throughout the recruiting process and beyond. She exemplifies the goals of the FEP program: co-curricular opportunities to learn about the practical aspects of the financial markets, from products to professionalism; from models to mentoring. Clair and her husband are moving to Charlotte, NC. We will miss her, and wish her the very best of luck!
New Finance Curriculum for Liberal Arts Undergraduates

This Fall, the Economics Department is introducing a Minor in finance for non-Economics majors, to facilitate access to finance education for Duke students from all disciplines. The Department is also now offering a Concentration in finance for Economics majors.

Both of these changes are an integral part of the department’s new Center for Financial Economics, which aims to enhance Duke’s reputation in this field, by:

- Broadening the range of finance courses and research opportunities for Duke students
- Hiring additional teaching and research faculty in financial economics
- Increasing opportunities for active engagement between Duke students, faculty, and alumni.

The Economics department is also delighted to report that John Caccavale, formerly an MD at Barclays Capital, will be the Executive Director of the Center for Financial Economics, starting in August 2010.


The DiNY Program runs throughout the Spring semester, with students living in Manhattan and taking courses with Duke affiliated faculty. The program also provides students the opportunity to become more familiar with the full scope of career opportunities in financial services, as well as developing a strong sense of community with many Duke Alumni who have participated in the program.

For the last two years, FEP played a key role in arranging both curricular and extra-curricular components of the Program, with: guest lectures, panel discussions, visits to trading floors, and socials hosted by Wall Street Investment Banks and other institutions. During the 2010 Spring semester, 18 DiNY students enjoyed interactions on a variety of levels with more than a dozen financial institutions, and many Duke Alumni working in New York. For more information, see:

http://studyabroad.duke.edu/home/Programs/Semester/Duke_in_NY_Financial_Markets

Engagement between Alumni and Student Clubs

FEP Director Emma Rasiel works closely with several undergraduate student clubs to facilitate visiting lectures and networking opportunities for club members and the financial community, including:

- **Duke Investment Club**, an equity mutual fund run entirely by students, which manages about $30,000 of student and alumni funds.
- **Duke Venture Forward (DVF)**, which arranges programs for undergraduates interested in business, with a social entrepreneurship component.
- **Business Oriented Women (BOW)**, a student club that promotes education, experience, and exchange between students and business professionals
- **Fuqua2Duke**, through which Fuqua MBA students provide mentoring and develop programs to assist undergraduates with career choices.
FEP in the Media

Newsweek called FEP Director Emma Rasiel one of four “Great Professors” in August 2009

“Tough love is a tool for Rasiel, 44, a professor of economics at Duke University... Though she’s strict in her grading, students flock to her class. ‘Anyone you talk to will recommend Professor Rasiel,’ says Helin Gai, ’09. ’Her classes are a great mixture of theory and practice.’...[S]he merges the two worlds, often inviting eight to 10 guest lecturers to her Global Capital Markets class...[s]he brings more Wall Streeters to campus to judge economic competitions... and offer[s] formal career advice through the school's career center...[s]he’s involved with her students’ success right down to the little details...[says] James Melnick, ’09, ‘I signed up for an independent study with her without even reading the course description.’ ”

Towerview, The Duke Chronicle’s monthly magazine, sought advice from Professor Rasiel for students seeking internships in finance in February 2010.

Rasiel’s response?

DO: Go to the info sessions
DO: Set aside a lot of time for the recruiting process
DO: Read the Wall Street Journal every day
DON’T: Assume your GPA is all that matters

The Chronicle interviewer also notes that: “…although Rasiel is something of a gatekeeper to Wall Street, she is quick to defer credit to the alumni [with whom] she stays in contact…”