

Tips for a career: financial analyst and financial engineering

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If you are one of those persons who thought that you have to be an engineer by profession and academic background to be a financial engineer, you are under the wrong impression. If you are very good in mathematics and would like to take a de route to your attaining success in life without losing your flare for math, this is where you should be, and this is a tip for a career. How much can you earn? It depends on you. A wizard can earn to his heart's content it looks like because financial engineering deals with predictive modeling in investment and financial analysis.

Now you can guess why the investors and financial institution's chief executives wish that they had paid more attention to their math classes. If you are a young aspiring person yet to bloom here are some tips for building a lucrative career for yourself. If you would like to make it all the way to the Wall Street lucrative jobs and be there offering advice on one what to buy or when to buy, or, what to sell and when to sell, or, go to top in investment banking a financial analyst career can help you get there.

Just imagine if you can do the modeling and are also very efficient analyst you could be walking on the golden path laughing all the way to your bank. Don't wonder why I have combined these two. I see analysts with weakness in model building and custom software generation today. Similarly I also see that quite few financial engineers are not comfortable with the analysis part. Therefore, there can be bright future including entrepreneur possibilities for a person who develops expertise in both areas.

If you are an ambitious person interested in this line read on these tips for a career in this field. Current total employment potential for financial advisor's career is well above 200, 000 with a predicted growth of 41 percent. What is <https://assignbuster.com/tips-for-a-career-financial-analyst-and-financial-engineering/>

financial engineering? Financial engineering involves application of financial theory, the methods of financing, and tools of mathematics, computation and the practice of programming to achieve the desired end results. Financial engineering can help create new and enhanced products out of existing financial instruments.

Financial engineers can help create the most effective bundles out of products and investment portfolios out of existing investment alternatives and their predicted outcomes and associated risks. Thus if an investment company or wealth management bank wants to advise its clients, it needs financial engineering due to the multi various investment alternatives available. Similarly if an insurance company wants to know what is the best way to put two or three types of insurance covers and sell as a brand both to increase sales and profits financial engineer can help.

Sounds exciting? Yes, it is, a financial engineer can earn millions if he or she gets commissions. What is financial Analyst Financial analysts keep themselves up to date with macroeconomic environment and also analyze the balance sheet and other relevant information related companies to write reports and give advice on buying and selling of stocks, or future financial strategies companies should adopt, or make investments that they can make. They usually specialize in some area depending on the organization they work for.

They may be working for bank, buy side or sell side investment companies and insurance companies and investment banks

Tips for a career- the qualification required for a career as financial engineer or Financial Analyst

The diversity is quite high. After an undergraduate degree with a good grade

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point one can work for MBA with financial engineering as one specialization, or a Master of Financial Engineering (MFE) or MA in Mathematical Finance or M. SC in Financial Engineering. It would help a lot if you have taken enough mathematics and computer courses.

In some schools the term computational finance is also used to denote financial engineering. You have to be cautious in making the right choice and you need to be pretty clear on whether you would like to work for an industry or get into academics. To be in academics you will need a PH. D too. This is not to imply that PH. D is not useful for industry jobs. For example a Hedge fund financial engineer in a trading firm job needs would be like knowing C++, SQL, Linux and Unix high frequency high frequency automated trading.

He will be responsible for trading strategies and algorithm enhancement. He should define and implement data collection and acquisition matter. He should perform statistical analysis and optimize innovations and enhancement to trading models. He should be able to write functional requirements for software developers and collaborate with software developers. Tips for a career as financial analyst Normally MBA in finance from a reputed university would be a good to start.

However Chartered Financial analyst certificate (CFA) could be great asset if not essential. For anyone not comfortable with all the technical aspects the CFA program uses it would better to start with series & and series 63 exams. These programs need sponsorship from a company that is NASD member or self regulatory organization http://en.wikipedia.org/wiki/General_Securities_Representative_Exam In addition to MBA finance

or MFE it would be advisable to get a CFA, Chartered Financial analyst certificate.

Another program of use may be the certified International Analyst program offered by the Council for Portfolio Management and research offered by the Association Certified International Analysts, Zurich, Switzerland (links below) There are also programs offered by JP Morgan's chase's finance division for under grad degree holders and Deutsche bank analyst type of programs. Generally these are targeted at undergrad degree holders with finance and accounting majors.

Best Graduate Programs offering Master's degrees and Doctoral degrees in Financial Engineering As mentioned above the diversity is quite high in the degree though there is a good overlap in the curriculum. The choice would depend on the reputation of the school and your planned career that is teaching, industry or banking career. The duration of the program is also different and range from 1 year to 2 years. The tuition can vary from about \$74, 000 for 1. 5 to 2 year program to \$37, 000 to \$ 44, 000 for one year programs. The schools given below also have excellent MBA programs with Finance specialization.

The top ten lists for General Management and other specializations may be different USA programs Carnegie Mellon University Columbia University Princeton University Stanford University University of Chicago New York University University of California Berkeley Boston University Georgia Institute of technology North Carolina University University of Illinois Urbana University of Michigan Claremont Graduate School Rutgers University

University of Southern California Kent State University Purdue University
Best Programs outside USA Imperial College, London, UK Warwick, UK

King's college, UK Birkbeck, UK City, UK ICMP reading Leeds University, UK
Leicester University Liverpool Manchester Oxford University Hongkong
University Hongkong Nan yang technical University, Singapore National
University of Singapore Dublin University EDHEC France Ecole Polytechnique
Federale De Lausanne, Switzerland Frankfurt school of finance Germany
Tilburg University Netherlands Indian Schools Indian Institute of Management
(IIMs) Indian Institute of technology (IITs) IFMR Chennai Indian Institute of
Capital Markets Mumbai, former UT I Institute of capital markets PG Diploma

Indian Institute Of Capital Markets. (Formerly UTI Institute of Capital
markets), P B No: 99, UTI house, plot no: 82 Sector-17, vashi, Navi mumbai-
400705. Phone: 022-27892815/16 Salary ranges for Financial engineers In
USA Financial engineer salary at level is about \$63000 to \$101, 000 Financial
Engineer salary is about \$86, 000 to 116, 000 Manager Financial engineering
salary is in the range \$144, 000 to 156, 000 In UK is about pounds 38, 000
Salary ranges for Financial Analysts holding CFA certification USA Portfolio
Manger \$80, 000-\$149, 000 Financial Analyst 48000-\$73, 000

Senior Financial analyst \$66249-\$96000 Financial securities investment
analyst \$ 67000-97000 Chief Financial Officer \$100, 000 - \$ 198000 UK
Pounds 36000 With pounds 40000 Australia Financial Analyst, A\$ 60, 000-80,
000 Financial/ securities/investment analyst A\$ 50, 000 - \$ 90, 000 India
Financial analyst Rs 269, 000 – Rs 700, 000 Senior Financial analyst Rs 500,
000- Rs100, 000 Financial/securities /investment analyst Rs 500, 000 – Rs

100, 000 Common Employers Trading houses, Corporate Finance Divisions, Banks, Insurance Companies Tips on Career planning In financial engineering

You need to be clear in goals. The Master of Finance program and financial engineering are not same. There is heavy math, C++ use and Monte Carlo in financial engineering. This is not done in finance programs. Some of the applied math programs are now financial engineering programs. Putting it simply, Mathematical finance is theoretical, quantitative finance is program oriented and financial engineering seems to fit in between, Thus you could be fine for teaching with mathematical finance but not for trading firms and industry.

In teaching too you may experience limitations. The program designers don't readily see the difference. Best is to compare the courses. In India it is best to do it in best Business schools preferably IIMs. In my view IIM Kolkata has perhaps the best program. Indian School of Business offers some executive programs for those unable to get into the best financial engineering programs because of lack of adequate experience, or commerce background it may better to join IT company or consulting company and enter banking and capital markets domain.

Alternately one can try brokerage and trading firms and may be you will make it to Wall Street to earn the big bucks. The path is hard and needs lot of dedication and hard work. Good luck. I would recommend financial engineering programs for engineers and anyone with strong math background. If you are a typical commerce graduate you might find it hard and it may be advisable to stay on the financial analysis side with proper

certifications and a well designed specialization based on where you want to work, like the sell side or buy side and trading or investment banking.

For anyone planning to continue as financial analysts and depend on ready software packages MBA finance and certified financial analyst should be adequate. Certified public accountant or Chartered accountancy with CFA may work but it's not the best. For someone who likes to have full flexibility in developing IT for financial analysis and be well rounded with plans for a IT start up, a combination of MFE with CFA can do well. These are essential tips for a career as a financial analyst or financial engineer Useful links <http://gmatclub.com/forum/2009-best-financial-engineering-math-finance-ranking-86796.html> <http://www.global-derivatives.com/index.php/further-education-othermenu-36/55-quantitative-masters-programs-complete-list#Australasia> links for CFA program in USA and India http://ace3levels.com/_mgxroot/page_10737.html http://www.cfainstitute.org/about/locations/asiapac/Pages/cfa_institute_in_india.aspx CIIA Switzerland: http://www.cpmrindia.org/welcome_message.asp India: <http://www.cpmrindia.org/ciia.asp>