is used and published by Value Line and Standard & Poors in ranking stocks. The Black-Scholes Option Pricing Model (which is far from being simple) is employed regularly by practitioners and traders in the financial markets. Thus, the topics covered in this book are not only intellectually challenging but also important in day-to-day decision making.

Indeed, the theoretical underpinnings of this field finally received recognition by the Nobel Committee, in 1990, when it awarded the Nobel Prize in Economics to financial economists Harry Markowitz, Merton Miller, and William Sharpe. The main contribution of Merton Miller is in the area of corporate finance, and a large part of this book relies on Markowitz and Sharpe's work, which laid the foundation for portfolio decision-making models and equilibrium risk-return relationships.

Perhaps the most important reason for investing in this subject is the hope that the yield will be truly profitable. Indeed, the rewards of a career in this area can be awesome! Moreover, a job on Wall Street spells prestige. In order to acquire such a job—and the competition is stiff—you will usually need an MBA degree. The following table will give you an idea of what to expect in pursuing a career in Investments.

WHY STUDY FINANCE ?

ARTICLE I

"Still Making Out on Wall Street"[3]

TOTAL COMPENSATION: SALARY AND BONUS

Position	*Junior Professional (3–5 years' experience) in thousands*	*Senior Professional (10+ years' experience) in thousands*
Stock research analysts	\$150–\$250	\$350–\$500
Bond trader	\$300–\$500	\$650–\$850
Corporate finance generalist	\$250–\$400	\$700–\$1,000
Institutional bond salesperson	\$200–\$300	\$600–\$800

Who said no one wants to be a statistic! But what's the catch? Well, to receive these high salaries, you need 3–5 years or 10+ years of experience. The "catch 22" here is: "How can you get a job when you have no

[3] Based on article by Ford S. Worthy, *Fortune*, April 6, 1992, p. 71.

experience, and. . .how can you get experience without a job?" Our aim is to provide you with enough knowledge for your first job even with no experience. Indeed, we hope that mastery of the material presented in this book will be a good substitute for the experience needed to acquire your first position and to be successful in your job. And, who knows, within no time, you may be part of the salary statistics appearing in the above table!

Haim Levy