Sand


Basic finite element->Gooey things and plasticity


Sound

Check out the research of Doug James: http://www.cs.cornell.edu/~djames/
Art and Animation

Check out the research of Adam Finkelstein: http://gfx.cs.princeton.edu/pubs-af.php?sort=a&q=finkelstein&cite=l

Animating with diffusion curves?


Hair

Faces

Hands

Personality, Intent, Emotion, and Language