



APPLIES TO ACADEMIC YEAR
2001/2002

BØK 2104 Financial and Legal Advisory Service

Program

Bachelor of Business Administration Program in Finance

Responsible for the course

Dag Jørgen Hveem, Knut Sagmo

Department

Accounting - Auditing and Law

Term

Spring

ECTS Credits

12

Objective

Basic decisionmaking skills regarding financial investment theory. Pursued by studying capital markets' transformation of personal savings into real economic activity. Secondly; how portfolios of financial securities are designed to accommodate individual preferences in terms of intertemporal risk and return. Finally; through developing computer skills facilitating analysis of real-world, financial data. The learning-steps, together with oral presentation practice, represent basic skills helping students to prepare for successful careers in the financial and legal consulting industry.

Prerequisites

BØK 8950 Basic Financial Management or equivalent introductory course.

Compulsory literature

Benninga, Simon. 2000. *Financial Modeling*. 2nd ed. Cambridge, Mass.: MIT Press.
Bankjus del I. 1999. Sandvika: Handelshøyskolen BI.
Bankjus del II. 1999. Sandvika: Handelshøyskolen BI.
Articles and material discussed during class-meetings.

Recommended literature

Boye, Knut og Terje Hansen. *Personlig økonomi ...*. Siste utg. Oslo: Cappelen akademisk forlag.

Course outline

1. Intertemporal consumption, real economic activity and the equilibrium rate of interest.
2. Portfolio-design of financial securities: Intertemporal return and risk.
3. Portfolio-design of financial securities satisfying individual preferences regarding risk and return.

In conjunction with the topics above; the following legal issues will be covered:

1. Person law including the capacity of legal incompetents to enter into financial contracts. Guardians and the office of the public guardian.
2. Financial and legal ramifications of the act of marriage, dissolution of marriage and of living common law
3. Inheritance law, advances of inheritance, taxation of inheritance including estate strategies
4. Law regarding real estate including forms of ownership and forms of security
5. The law concerning financial obligations
6. The law of security and hypothecation
7. The law of title registration
8. The law of credit
9. Collection
10. Legal framework for securities trading with a main emphasis on rules regarding criminal insider trading.

Computer-based tools

Data sources from the Internet. Customizing databases containing timeseries return data for stocks and bonds, interest and exchange rate data.

Course structure

84 lecture-hours during the spring term.

Evaluation

Grade determined by the performance on a five-hour written, (closed-book) final exam.

Evaluation code(s)

BØK 21041 - written exam, counts 100% towards final grade in BØK 2104, 4 credits

Aids at the examination

Interest rate tables, programmable calculator and the collection of Norwegian laws.

Makeup exam

Next regular exam.