



APPLIES TO ACADEMIC YEAR 2014/2015

## GRA 6534 Investments

### Programme

Master of Science in Business, Master of Science in Business (Finance), Master of Science in Financial Economics, Specialization Course

### Responsible for the course

Ilan Cooper

### Department

Department of Financial Economics

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

In this course you will be introduced to major issues currently of concern to all investors. It will give you the skills to conduct a sophisticated assessment of current issues debates covered by both the popular media as well as more specialized finance journals.

### Learning outcome

Provide students with a fundamental understanding of the investment process.

Review the different financial assets available to the portfolio manager, the markets in which they trade, their risk return characteristics and how they are priced. Discusses the basic techniques of portfolio management, risk control and performance evaluation. Briefly introduces the international dimension of the investment process.

### Prerequisites

GRA 6540 Applied Finance or GRA 6543 Introduction to Asset Pricing/GRA 6533 Theory of Finance, or equivalent.

### Compulsory reading

#### Books:

Bodie, Zvi, Alex Kane, Alan J. Marcus. 2011. Investments and portfolio management. 9th ed., global ed.. McGraw-Hill/Irwin. + readings

#### Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination

A list of compulsory readings will be provided on It's learning or in class.

### Recommended reading

#### Course outline

The course will be organized as follows:

- Asset classes: markets, pricing and historical record
  - Equity: pricing, markets and historical record
  - Fixed Income Securities: pricing, markets and historical record
  - Alternative investments: real estate, commodities, venture, etc
- The portfolio management process
  - Mean-Variance theory and the asset allocation decision
  - Security selection and portfolio formation
  - Efficient markets and portfolio management
  - Active portfolio management strategies
- Controlling portfolio risk:
  - Optimal portfolio rebalancing
  - International portfolios and the impact of currency risk
  - Fixed income portfolio risk control
  - Portfolio insurance and other techniques

- Measuring portfolio performance

### **Computer-based tools**

Students are encouraged to use computer models in this course. It's learning/homepage

### **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

The instruction consists primarily of presentations and discussions of the readings assigned to the topics listed above. Students are expected to have read the material before each class meeting

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

### **Examination**

The course grade will be based on the following activities and weights:

30% class work (in the form of a mix of some/ all of the following: hand in of case write ups, projects, and homeworks; case presentations and class participation; in class midterm and quizzes).

70% 3-hour written final exam.

To get a final grade in the course, students need to complete and achieve a passing grade in all parts of the evaluation.

In this course class attendance is mandatory. Absences can result in a lower score. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one for several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

### **Examination code(s)**

GRA 65343 continuous assessment accounts for 100% of the final grade in the course GRA6534.

### **Examination support materials**

A bilingual dictionary, interest tables and BI-approved exam calculator.

Examination support materials at written examinations are explained under examination information in the student portal @bi. Please note use of calculator and dictionary in the section on support materials.

### **Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

### **Additional information**

#### **Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.