APPLIES TO ACADEMIC YEAR 2015/2016

EXC 3612 Investment Analysis

Programme
Bachelor of Business Administration (3. year), Exchange Program

Responsible for the course
Ilan Cooper

Department
Department of Financial Economics

Term
According to study plan

ECTS Credits
7,5

Language of instruction
English

Introduction
This course intends to provide an understanding of the investment environment and process. The investment environment includes the kinds of marketable securities that exist and where and how they are bought and sold. The process is concerned with decision-making, how much to invest in each security and when to make these investments. The course also focuses on the valuation of the different securities.

Learning outcome
Acquired knowledge
Upon completion of the course, students shall comprehend key concepts and the analytics of financial investment analysis such as
- Expected returns and idiosyncratic as well as portfolio risks;
- Tthe concept of diversification;
- To demonstrate risk-management skills by taking positions in financial options' contracts in order to hedge an underlying asset portfolio

Acquired skills
Upon completion of the course, students are required to master tasks such as;
- Calculating estimates of expected return and risk from a series of past returns
- Applying modern portfolio theory for finding optimal investment portfolios
- Calculating required rates of return and risk based on various asset pricing models
- Calculating yields to maturity on bonds
- Calculating prices of option contracts

Reflection
Upon completion of the course, the students shall be able to ask critical questions and reflect on crucial assumptions and theories within the field of financial investments.

Prerequisites
EXC 2910 Mathematics, EXC 2904 Statistics, EXC 2110 Basic Financial Management, or equivalent.

Compulsory reading
Books:
Bodie, Zvi, Alex Kane, Alan J. Marcus. 2013. Essentials of investments. 9th ed. McGraw-Hill/Irwin

Recommended reading

Course outline
- Bond Valuation
- The Term Structure of Interest Rates
- Stock Valuation models
- Risk and Expected Return
- Modern Portfolio Theory
- Equilibrium in Capital Markets
- Market Efficiency

- Performance rvaluation

Computer-based tools
Students are recommended to use computer-based tools, e.g. spreadsheets. Such tools, however, are not allowed at the examination..

Learning process and workload
The course will include a combination of lectures and tutorials where solutions to exercises will be explained.

Specific Information regarding any aspect of performance assessment will be provided in class. It is the student's responsibility to obtain this information. Please note that whilst attendance is not compulsory, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/itslearning or in the text book. Homepages and/or itslearning are not designed for the purpose of students who choose not to attend class.

The following is an indication of the time required:

Activity	**Hours**
Lectures	36
Plenary tutorials where exercises will be explained	6
Preparation for lectures and tutorials	83
Preparation of home assignments	30
Preparation for the final exam	45
Total recommended use of time	**200**

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Use of hours
36 hours - Lectures
6 hours - Plenary tutorials where exercises will be explained
3 hours - Administration of learning activities
45 hours total

Examination
This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded by using points on a scale from 0-100. The components will be weighted together according to the information in the course description in order to calculate the final letter grade for the examination code (course). Students who fail to participate in one/some/all exam elements will get a lower grade or may fail the course.

The final grade in the course will be based on the following components and weightings:
- 30% class work in the form of a mid-term (10%) and two homework assignments (10% each).
- 70% 3-hour written final exam.

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.

Examination code(s)
EXC 36121- Processevaluation, counts 100% towards the final grade in the course EXC 3612 Investment Analysis, 7.5 ECTS.

Examination support materials
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 (https://at.bi.no/EN/Pages/Exa_Hjelpemidler-til-eksamen.aspx).

Re-sit examination
Re-sit examination is offered at the next scheduled course.
At re-sit it will be required that the entire evaluation process is conducted again, and that students who do not achieve points in one or more exam components will get a lower grade or fail the course. Previously conducted examination components will not be part of the assessment for a new character.

Additional information