APPLIES TO ACADEMIC YEAR 2015/2016

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 covererd 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 equivalent
GRA 6543 Introduction to Asset Pricing or equivalent
All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have spesific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

Compulsory reading
Books:
Bodie, Zvi, Alex Kane, Alan J. Marcus. 2014. Investments. 10th global ed. McGraw-Hill Education. + 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
- Fixed Income
  - Bond pricing
  - The term structure of interest rate
  - Bond portfolio management
- 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
    - Portfolio insurance and other techniques
- Measuring portfolio performance

Computer-based tools

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:
10% class participation
20% computer assignments
70% 3-hour written final exam.

Form of assessment	Weight	Group size
Assignment	20%	
Written examination 3 hours	70%	
Class participation	10%	

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded using points on a scale from 0-100. The final grade for the course is based on the aggregated mark of the course components. Each component is weighted as detailed in the course description. Students who fail to participate in one/some/all exam components will get a lower grade or may fail the course. You will find detailed information about the points system and the mapping scale in the student portal @bi.

Examination code(s)
GRA 65343 continuous assessment accounts for 100% of the final grade in the course GRA6534.

Examination support materials
BI approved exam calculator
Bilingual dictionary
Interest tables
Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

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. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

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.