

# Course Specifications

From the academic year 2017-2018 up to and including the

## Investment Analysis (F000683)

Course size (nominal values; actual values may depend on programme)

Credits 6.0      Study time 180 h      Contact hrs 45.0 h

Course offerings and teaching methods in academic year 2018-2019

A (semester 1)	English	group work	15.0 h
		lecture	30.0 h
B (semester 1)	Dutch, English	lecture	30.0 h
		group work	15.0 h

Lecturers in academic year 2018-2019

Frömmel, Michael      EB21      lecturer-in-charge

Offered in the following programmes in 2018-2019

	crdts	offering
<a href="#">Master of Science in Mathematics</a>	6	A
<a href="#">Master of Science in Complementary Studies in Economics</a>	6	B
<a href="#">Master of Science in Economics</a>	6	A
<a href="#">Master of Science in Economics</a>	6	A
<a href="#">Exchange programme in Economics and Business Administration</a>	6	A

Teaching languages

Dutch, English

Keywords

Stocks, bonds, options, futures, portfolio theory, portfolio selection, portfolio performance, currencies

Position of the course

The course presents an overview of the different financial assets and their risk-return characteristics. It is also shown how these characteristics can be optimally combined in portfolios. The implications of this choice for asset pricing are discussed. Asset pricing models will be used to price different assets, and to evaluate investment portfolios. In teaching these concepts, the perspective of the institutional investor is taken (e.g. insurance company, investment company, mutual fund). Selected professional and academic literature will be used in order to learn the student to critically analyse research and viewpoints regarding investments.

Contents

This course offers an overview of the basics about the investment process.

The following topics will be introduced:

- Asset classes and financial instruments
- Risk and return
- Risk aversion and capital allocation to risky assets
- Optimal risky portfolios and index models
- Capital asset pricing model (CAPM)
- Arbitrage pricing theory (APT)
- Efficient market hypothesis (EMH)
- Bond evaluation
- Equity evaluation
- Performance evaluation
- Active portfolio management

Initial competences

- Time value of money;
- Descriptive statistics

- Normal distribution
- Hypothesis tests on means
- Linear regression
- Basic techniques Excel

#### Final competences

- 1 After studying the course Investments, the student:should better understand the role of investors in the economy
- 2 After studying the course Investments, the student:should master techniques to price equity, bonds, and derivatives and know determinants of their prices
- 3 After studying the course Investments, the student:should have acquired knowledge about the three steps asset allocation, security selection and evaluation.
- 4 After studying the course Investments, the student:should have some practical experience regarding portfolio selection, valuation and evaluation.
- 5 After studying the course Investments, the student:should know and being able to critically assess the concept of informational efficiency and its importance for society.
- 6 After studying the course Investments, the student:should be able to interpret and evaluate academic papers and discuss their practical relevance
- 7 After studying the course Investments, the student:will have more experience in writing scientific reports in English
- 8 After studying the course Investments, the student:efficiency and its importance for society.
- 9 After studying the course Investments, the student should be able to interpret and evaluate academic papers and discuss their practical

#### Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

#### Conditions for exam contract

This course unit cannot be taken via an exam contract

#### Teaching methods

Group work, lecture

#### Extra information on the teaching methods

Ex cathedra for the theory classes; Team work for making assignments, resulting in written group reports.

#### Learning materials and price

- Frömmel, M., Portfolio Theory and Management, BOD: Norderstedt, 2016
  - lecture notes
- Cost: 30 EUR

#### References

- Bodie, Z., A. Kane en A.J. Marcus, Investments, 8th edition, McGraw-Hill, 2008
- Levy, H. en T. Post, Investments, Pearson Education, 2004.

#### Course content-related study coaching

Lecture notes are made available through Minerva.  
Extensive feedback will be provided after the assignments.

#### Evaluation methods

end-of-term evaluation and continuous assessment

#### Examination methods in case of periodic evaluation during the first examination period

Written examination

#### Examination methods in case of periodic evaluation during the second examination period

Written examination

#### Examination methods in case of permanent evaluation

Assignment

#### Possibilities of retake in case of permanent evaluation

examination during the second examination period is possible

#### Extra information on the examination methods

Written

#### Calculation of the examination mark

Permanent (tasks) (25%).  
End-of-term (theory) (75%).