

Advanced Investment Analysis (F000719)

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 2)	English	guided self-study	5.0 h
		lecture	30.0 h
		self-reliant study activities	10.0 h

Lecturers in academic year 2018-2019

Frömmel, Michael	EB21	lecturer-in-charge
------------------	------	--------------------

Offered in the following programmes in 2018-2019

	crdts	offering
Master of Science in Business Engineering (main subject Data Analytics)	6	A
Master of Science in Business Engineering (main subject Finance)	6	A
Master of Science in Business Engineering (main subject Operations Management)	6	A
Master of Science in Economics	6	A
Exchange programme in Economics and Business Administration	6	A

Teaching languages

English

Keywords

portfolio theory and management, stock markets, foreign exchange market, efficient markets, technical analysis, behavioural finance, asset price bubbles, microstructure

Position of the course

Expose the students to the theoretical modelling and empirical testing related to market efficiency. The focus lies on mastering quantitative techniques. This course aims at forming students who are able to recognize and analyze finance problems using the ideas of existing academic research. After finishing this course, students can understand new academic literature on asset pricing, behavioural finance and market microstructure and can relate this literature to the existent knowledge. They can also infer the practical consequences of the new results. Moreover, they can also apply the commonly used research methodologies and are able to report research results thoroughly.

Contents

This course offers an overview of the recent empirical literature on market efficiency. Both the rational pricing paradigm and topics from behavioural finance are discussed.

- Portfolio management
- Time series predictability, efficient markets and technical analysis
- Behavioural finance
- Asset price bubbles
- Microstructure of financial markets

Initial competences

The students are acquainted with the standard pricing models, both for stocks and bonds.

They are aware of the problems attached to performance evaluation and are able to model financial time series.

The final objectives of courses like investment analysis and financial econometrics are also starting objectives for this course.

Final competences

- 1 Awareness of the academic literature on financial markets and portfolio management;
- 2 Interpret the results of this literature and translate them to a practical context;
- 3 Apply methods from the empirical literature and adapt them to a given problem;
- 4 Propose solutions in group to practical problems, to solve them and to report the solution;
- 5 Formulate new research topics

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

Guided self-study, lecture, self-reliant study activities

Extra information on the teaching methods

Ex cathedra (theory); in-depth self-study of a selected academic paper with a short replication of the results

Learning materials and price

- Frömmel, Michael (2017). Asset Allocation and Market Efficiency, BoD: Norderstedt
 - Reading list of articles from academic and professional journals.
- Cost: 30 EUR

References

Course content-related study coaching

Handouts of lecture material available on the electronic learning environment

Evaluation methods

end-of-term evaluation

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, oral examination

Examination methods in case of permanent evaluation

Possibilities of retake in case of permanent evaluation

not applicable

Extra information on the examination methods

Written exam, 75% of the exam deal with the content from ex-cathedra sessions, 25% on the self-studied research paper.

Calculation of the examination mark

End-of-Term evaluation.(100%)