

Investment Analysis (F000683)

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

Credits 6.0

Study time 180 h

Course offerings and teaching methods in academic year 2024-2025

A (semester 1)

English

Gent

group work

lecture

Lecturers in academic year 2024-2025

Frömmel, Michael

EB21

lecturer-in-charge

Offered in the following programmes in 2024-2025

	crdts	offering
Master of Science in Teaching in Economics(main subject Business Economics)	6	A
Master of Science in Teaching in Economics(main subject Economics)	6	A
Master of Science in Teaching in Science and Technology(main subject Mathematics)	6	A
Master of Science in Business Economics (main subject Accountancy)	6	A
Master of Science in Business Economics (Double Degree)(main subject Accountancy)	6	A
Master of Science in Business Economics (Double Degree)(main subject Corporate Finance)	6	A
Master of Science in Business Economics (main subject Corporate Finance)	6	A
Master of Science in Business Engineering(main subject Data Analytics)	6	A
Master of Science in Business Engineering (Double Degree)(main subject Data Analytics)	6	A
Master of Science in Business Engineering (Double Degree)(main subject Finance)	6	A
Master of Science in Business Engineering(main subject Finance)	6	A
Master of Science in Industrial Engineering and Operations Research(main subject Manufacturing and Supply Chain Engineering)	6	A
Master of Science in Business Economics (Double Degree)(main subject Marketing)	6	A
Master of Science in Business Economics (main subject Marketing)	6	A
Master of Science in Business Engineering (Double Degree)(main subject Operations Management)	6	A
Master of Science in Business Engineering(main subject Operations Management)	6	A
Master of Science in Industrial Engineering and Operations Research(main subject Transport and Mobility Engineering)	6	A
Master of Science in Economics	6	A
Master of Science in Economics (Double Degree)	6	A
Master of Science in Industrial Engineering and Operations Research	6	A
Master of Science in Mathematics	6	A
Exchange programme in Economics and Business Administration	6	A
Elective Set Economics	6	A

Teaching languages

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 understand the role of investors in the economy
- 2 master techniques to price equity, bonds, and derivatives and know determinants of their prices
- 3 acquire knowledge about the three steps asset allocation, security selection and evaluation.
- 4 acquire some practical experience regarding portfolio selection, valuation and evaluation.
- 5 assess critically the concept of informational efficiency and its importance for society.
- 6 discuss the practical relevance of academic papers
- 7 write scientific reports in English
- 8 experience the functionalities of excel
- 9 master a critical attitude towards marketing plans on financial products

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.

Study material

None

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 Ufora.

Extensive feedback will be provided after the assignments.

Assessment moments

end-of-term and continuous assessment

Examination methods in case of periodic assessment during the first examination period

Written assessment

Examination methods in case of periodic assessment during the second examination period

Written assessment

Examination methods in case of permanent assessment

Assignment

Possibilities of retake in case of permanent assessment

examination during the second examination period is possible in modified form

Extra information on the examination methods

Written

Calculation of the examination mark

Permanent (tasks) (25%).

End-of-term (theory) (75%).