GHENT UNIVERSITY

# Course Specifications

Valid as from the academic year 2024-2025

## 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**

Type: Handbook

Name: Finance I: Portfolio Theory and Management, Norderstedt: BoD GmbH
Indicative price: € 30
Optional: no
Additional information: Newest edition

**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%).