

Introduction to Investment and Financial Markets (EM054ME5)

Program	PGE
Module / ECTS / Path / Specialisation	Module :Introduction to Investment and Financial Markets : 5 ECTS. <ul style="list-style-type: none">● BEM Bachelor in European Management● Visitants● PGE 2A - English track
Discipline	Finance
Year	2019
Semester	A
Open for visitors	yes (5 ECTS)
Available places	40

Coordinator

Arnaud TAMINI

Lecturers

Instructor	Population	Email
Arnaud TAMINI	Population	pawesse.tamini@em-strasbourg.eu

Course format

Working language :	English
Volume of contact hours :	27 h
Workload to be expected by the student :	108 h

Course track

Track : Attendance

"Attendance" track :

Attendance at lecture / tutorial classes and intermediate / final exams is mandatory. As evaluation of in class work constitutes an essential element of grading, any absence will be penalized and is taken into account for grading purposes (see academic rules and regulations).

"Autonomous" track :

Attendance at intermediate / final exams is mandatory, but students are free to attend lecture / tutorial classes.

For all Master programs and all other programs realized in the form of dual internships (apprentissage), attendance at

lecture / tutorial classes and intermediate / final exams is entirely mandatory. Therefore, only the "Attendance" track can be selected.

Contribution of the course to the educational objectives of the programme

How the course contributes to the programme :

Description

This course will give students a global perspective on financial markets organisation and instruments. In the first chapter, we will present the different segments of the financial markets (Money Market, Bond Market, Stock Market, Forex). Then, we will focus on bonds valuation and bond markets. The third chapter will be dedicated to stocks, with the study of the risk and return couple. The fundamentals of the Capital Asset Pricing Model and Portfolio Theory will be dealt with in chapter 4. Finally, chapter 5 will provide a brief introduction to derivatives with a focus on options.

Educational organisation

In class

Lectures

Tutorials

Learning outcomes

Upon completion of this course, students should be able to :

- **Describe** the different financial markets and the actors involved
- **Identify** the main characteristics of the options
- **Distinguish** stocks' systematic risk from specific risk
- **Use** the parameters of bond calculation (price, duration) to study the impact of changes in interest rates
- **Calculate** the expected rate of return of a share using the Capital Asset Pricing Model (CAPM)
- **Compare** the return and risk of two financial assets

Outline

Chapter 1 : Financial Markets Organisation

Chapter 2 : Bonds and Bond Market

Chapter 3 : Stocks

Chapter 4 : the Capital Asset Pricing Model

Chapter 5 : introduction to Derivatives

Prerequisites

Key concepts to understand :

Fundamentals of Accounting (financial statements analysis), Fundamentals of Financial Mathematics (discount rate)

Knowledge of :

Basic knowledge in Financial Economy

Teaching material

Documents in all formats

- Worksheets
- Guide

Recommended reading

Major works :

Berk P., De Marzo J., 2017, "Corporate Finance", 4th edition, Pearson
Hull J., 2017, Options, futures and other derivatives, 9th edition, Pearson

Further reading :

None

Research works by EM Strasbourg :

Assessment

Intermediate evaluation / continuous assessment 1 :

written (90 min) / individual / English / weighting : 30%

This evaluation serves to measure LO1.1, LO1.2, LO1.3, LO2.1, LO2.2, LO4.2

Final assessment : last session

written (120 min) / individual / English / weighting : 70%

This evaluation serves to measure LO1.1, LO1.2, LO1.3, LO2.1, LO2.2, LO4.2

Grounds for expulsion from classes

Such behaviors as...

arriving late, leaving early or unannounced leaving of the classroom during class time

disruptive eating or drinking in class

using smartphones and laptops for non class-related purposes

reading non class-related documents

chatting on non class-related issues

showing disrespect towards lecturers

... may lead to expulsion from classes.