

Introduction to Investment and Financial Markets (EM054ME5)

Program	PGE
Course set (UE) / Credits (ECTS) / Track / Specialization	Module :Introduction to Investment and Financial Markets : 5 ECTS. <ul style="list-style-type: none">• Visitants
Discipline	Finance
Year	2020
Semester	A
Open for visitors	yes (5 ECTS)
Available spots	25

Coordinator

Vivien LEFEBVRE

Lecturers

Instructor	Population	Email
Vivien LEFEBVRE	Population	

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 lectures/tutorials and intermediate/final assessments is mandatory. As in-class work constitutes an essential element of evaluation, any unjustified absence will be penalized (*see Study and Examination Regulations*) and factored into the final grade (*see Assessment*).

Autonomous track :

Attendance at intermediate/final assessments is mandatory, but students have the option of attending lectures/tutorials.

Attendance at lectures/tutorials and intermediate/final assessments is mandatory for all degrees making up the Master's Program and all degrees involving co-op (*apprentissage*). Attendance track must therefore be selected.

Contribution of the course to the educational objectives of the program

How the course contributes to the program :

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

Learning outcomes

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

- **Describe** the main players involved in financial markets.
- **Distinguish** between the main forms of financial markets' organization.
- **Explain** the various forms of financial risks including the difference between systematic and specific risk.
- **Apply** the Capital Asset Pricing Model to simple cases.
- **Calculate** the price of a bond with discounting techniques.

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
- Case studies

Recommended reading

Major works :

Berk, J. and DeMarzo, P. (2007). Corporate Finance, Pearson International Edition

Further reading :

Research works by EM Strasbourg :

Assessment

Intermediate evaluation / continuous assessment 1 :

written / in group / English / weighting : 30%

additional information : The intermediate assessment is a team-work case-study. All required information and guidelines will be provided on Moodle and during the lessons and there will be a follow-up session during the course.

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

Final assessment :

written (90 min) / individual / English / weighting : 70%

additional information : The final exam will be made of several exercises and questions.

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

Grounds for expulsion from classes

Behaviors such as

arriving late, leaving early, or exiting the classroom at inopportune moments during class

ostentatiously eating or drinking in class

using smartphones or laptops for non-class-related purposes

reading texts unrelated to the course

discussing topics unrelated to the course

disrespecting the lecturer

may lead to expulsion from the class/course.