



# INVESTMENTS

## General data

Course code:	B19GMB15E
ECTS credits:	7
Semester:	6 <sup>th</sup> semester, spring
Type of the course	business elective
Course restrictions:	-
Course leader (with availabilities):	<b>Vivien Csapi, Dr.</b> <a href="mailto:csapiv@ktk.pte.hu">csapiv@ktk.pte.hu</a> +36 72 501 599/ 23124
Further lecturer(s) (with availabilities):	-

## 1. Description and aims

The aim of this course is to provide you with an understanding of both the theory and practice of finance and portfolio decision making. The combined application of theory and practice will enable you to understand market forces, equity evaluation methods, and market mechanisms. Besides introducing you to evaluation techniques and models you will have a broad understanding of the investment market from portfolio to venture capital investment. Discussions during class will develop your general financial literacy and intelligence. Not just your knowledge in the field of investment will be developed but exercises, readings and discussions will further strengthen your argumentation and computational skills. During the class discussions you will work in groups to form opinions in issues like the financial and economic crises situations in the past.

## 2. Intended Learning Outcomes (ILOs)

Upon successful completion of this module, the student will be able to:

1. Explain the corporate factors driving stock prices (*PILO1*).
2. Understand the basic equilibrium forces of stock markets (*PILO1*).
3. Predict investors intentions and risk attitude (*PILO2*).
4. Determine the investment attitudes for different actors (*PILO3*).
5. Design a portfolio for companies with different risk preferences (*PILO4*).
6. Value different financial assets (*PILO3*).

(The remarks in brackets express each CILO's connection to the Program Intended Learning Outcomes (PILOs).)



### 3. Content, schedule

The discussion of topics is divided into the following twelve chapters:

1. Introduction and Risk and return
2. Risk profiles
3. Capital allocation basics
4. Capital allocation between risky and risk free assets.
5. Optimal risky portfolio
6. Case study group work
7. Bonds and their valuation
8. Green investments (Green bonds, CAT bonds, SLBs)
9. Shares and their valuation
10. Introduction to options theory
11. Option valuation
12. ESG issues in investments

### 4. Learning and teaching strategy, methodology

The joint application of theoretical and practical teaching methods should enable students to understand mechanisms driving financial instrument investment decisions, bond and equity prices. The continuous observation of weekly events on news channels should bring practice closer to theory, providing an invaluable tool for student. In order to achieve the best outcome student is required to monitor real life economic events, which with the application of available market data (Reuters' database) can be analyzed in class and at home.

### 5. Assessment

*Formative assessment elements:* Oral feedback on in-class activities, discussion of the solution of practical exercises solved during the classes, online Moodle practice exercises at the end of each topic.

*Summative assessment elements:*

Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Midterm exam	75%	exam	A written exam based on TOPIC 1-12, containing 5 questions.	one retake opportunity	yes	1,2,3,4,5,6
Practice problems	15%	homework test	Moodle test open 5 day long for each topic (5*3=15%)	no retake opportunitis	yes	1,2,3,4,5,6
Group work	10%	teamwork	oral presentation of an in-class case solution	no retake opportunity	yes	4,5,6

\* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.



## 6. Learning materials

*Zvi Bodie, Alex Kane, Alan J. Marcus: "Investments", 12th Edition, McGraw-Hill Education, 2020*

## 7. Further information

<b>International</b> aspects embedded with the course
International money and capital markets, international cases.
<b>Ethics, Responsibility &amp; Sustainability (ERS)</b> aspects embedded with the course
Sustainable investments, green bonds, green finance, ESG aspects related to stocks and funds
<b>Connections to the world of practice</b> of the course
Guest lecturers from the investments world. Live business cases