Advanced Finance

Third year module

The module explores principles, instruments and practice in investment and finance. Semester one topics include the Investment Planning Process, Modern Portfolio Theory, Asset Pricing Theories, Market Efficiency, Fund Management, Global Investment, Behavioural Finance and Portfolio Analysis and Appraisal. Semester two topics include Financial Derivatives – including options, futures and swap contracts Derivatives, Fixed Income Securities, and Exchange Rate Risk.

Learning outcomes

By the end of the module students should be able to analyse, critically appraise, define, discuss and explain the:

- investment planning process and importance of setting objectives
- relationship between risk and return and modern portfolio theory
- performance of portfolios analyse, critically appraise, define, discuss and explain the nature and pricing of derivative securities
- principles of efficient capital markets and empirical challenges to market efficiency
- various fund management strategies and relevance of findings from behavioural finance.
- valuation and management of the fixed income investments and the related topics
- foreign exchange rates and risks involved in global investment

Assessment

3 hour written examination