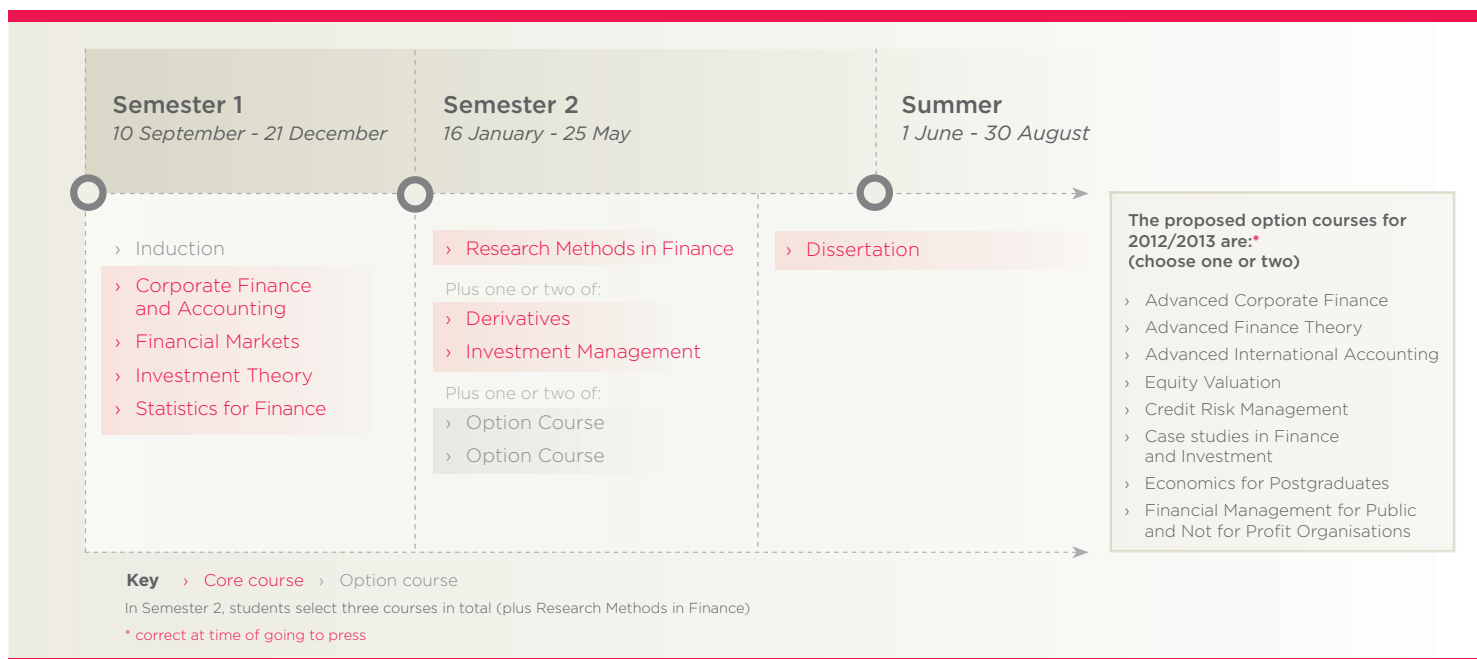


# MSc in Finance and Investment

## Programme Structure



## Details of core courses

### Corporate Finance and Accounting

This course provides an introduction to the core concepts and skills in corporate finance and financial accounting. The corporate finance section considers the main financial decisions facing a company, reviews current academic thinking on how these decisions are made, and introduces analytical tools that can assist in financial decision-making. The accounting section explains what the accounting information produced by companies means, and presents certain techniques of analysing those numbers for the purpose of understanding what is going on in the company, and what its prospects are. The emphasis is on mainstream ideas and techniques at the level of a good textbook, with use of numerical examples to reinforce understanding. We shall also refer to research findings as appropriate.

### Financial Markets

The aim of the class is to help you develop an understanding of the financial system and the roles and functions of financial markets and institutions. A particular emphasis is placed on understanding the roles of intermediaries such as banks and investment firms. Most of the examples are drawn from the UK, but international comparisons are made where appropriate.

### Investment Theory

The course is made up of 3 main parts. The first part (Lectures 1 and 2) introduces the basics of investment decisions and equips students with mathematical tools and concepts that are indispensable when making investment decisions. The second part (Lectures 3 to 8) deals with the modern portfolio theory. The third part (Lectures 9 and

10) focuses on portfolio evaluation and management. The main objective of the course is to teach students the topics that will help them make intelligent investment decisions in the future. The course also aims to give students a hands-on experience in constructing and managing their own portfolios.

### Statistics For Finance

This course will train students in the basic tools of Statistics for Finance. "Statistics for Finance" builds on such topics as elementary probability, simple sampling theory and statistical inference. Moments, Quantiles and distributions are introduced. Lectures are supported by weekly problem solving classes.

### Research Methods in Finance

The course builds on the Term 1 module "Statistics for Finance" and provides an introduction to some basic econometric techniques used in empirical research in finance. The philosophy of this course is "learning by doing". At the end of this module you will learn how to apply a number of classical empirical methods in finance by replicating research based on selected published papers. This will provide an introduction to some practical tools of research using real data and to the importance of concise writing and presentation of results using informative graphs and tables. Finally, during this module you will get an introduction to using Eviews for the analysis of both cross-sectional and time series data and an opportunity to obtain this data using a research data base like Datastream/Wharton Research Data Services. These skills will be valuable for those wishing to pursue a career in the finance industry.

## Plus one or both of

### Derivatives

Derivatives' is a core elective course for the MSc in Finance and Investment and is part of the financial manager's core body of knowledge and understanding. (For instance, it is a fundamental part of the Chartered Financial Analyst (CFA) charterholder curriculum.) The course aims to provide students with the tools, knowledge and understanding of the derivative product set (i.e. forwards, futures, swaps and options), how the instruments are priced and the markets in which they are traded. The emphasis in the course is on financial management and pricing. To integrate the discussion of these instruments, the course stresses the relationships that exist between derivatives and fundamental financial instruments and, in particular, the important no-arbitrage conditions that underlie the pricing of derivatives. Note that the course does not delve into the more advanced aspects of derivatives valuation such as stochastic processes, although some understanding of this is required. The course will also cover some of the more exotic instruments and securities since these now form an important element in financial markets.

### Investment Management

This course aims to help students develop a broad knowledge and understanding of portfolio management and investment analysis. Students build on the knowledge gained from the Financial Markets and Investment Mathematics core courses in semester one (or Foundations of Finance in the case of A&F students). Students will learn the importance of understanding client objectives in the portfolio management process and understand practical issues that arise in managing client portfolios. We will review a number of investment strategies that have been suggested as having the potential to create superior returns. There will be at least one guest lecture from a portfolio manager.

### Dissertation

A dissertation will be undertaken during the summer on a topic of current interest to the finance and investment community. Various types of dissertation are acceptable. A dissertation may be subject review, a theoretical essay, a numerical project, a data-based project or a software project. Examples of the aims of the dissertation are - to give the student the opportunity to practice and gain confidence in the use of skills which s/he has acquired in the preceding courses and to provide an opportunity to study a particular topic in depth.