INVESTMENT MANAGEMENT

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| Course code | *FIN 107* |
| Compulsory in the programmes | *Finance* |
| Level of studies | *Undergraduate* |
| Number of credits | *6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)* |
| Course coordinator (title and name) | *Assoc. Prof. Silviu Ursu* |
| Prerequisites | *Financial Management* |
| Language of instruction | *English* |

**THE AIM OF THE COURSE:**

The course is intended to introduce students to the main elements and principles of investment and to provide them knowledge and practical skills of using different investment vehicles and instruments such as equity and debt securities, derivatives and pooled and alternative investments. Students will acquire knowledge about the modern investment theory, and at the same time will develop the skills necessary to analyze and value securities and to create and implement an investment strategy.

**MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS**

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| --- | --- | --- | --- | --- |
| Course level learning outcomes (objectives) | Degree level learning objectives (Number of LO) BBM | Degree level learning objectives (Number of LO) BSS | Assessment methods | Teaching methods |
| CLO1. Define investment and investors and describe the role and structure of investment industry | BLO1.1  BLO1.2 | ELO1.1 ELO1.2 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CLO2. Describe, compare and understand how investors value the investment instruments and investment vehicles | BLO1.1  BLO1.2 | ELO1.1 ELO1.2 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CLO3. Calculate the return and risk of investments | BLO1.1  BLO1.2 | ELO1.1 ELO1.2 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CL04. Describe the risk-return tradeoff and the modern approach to portfolio management | BLO1.1  BLO1.2 | ELO1.1 ELO1.2 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CLO5. Identify and compare types of individual and institutional investors and describe how portfolios are constructed to address client investment objectives and constraints | BLO1.1  BLO4.1 BLO4.2 BLO4.3 | ELO1.1 ELO4.1 ELO4.2 ELO4.3 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CLO6. Explain the concept of informationally efficient markets and the challenges for investors in developing asset pricing models | BLO1.1  BLO1.2 | ELO1.1 ELO1.2 | Final exam,  quizzes,  group work | Lectures, seminars, self-study |
| CLO7. Explain the concept of sustainable investing and explore its relationship with the modern portfolio theory | BLO2.1 BLO4.1 BLO4.2 BLO4.3 | ELO2.1 ELO4.1 ELO4.2 ELO4.3 | Final exam, group work | Lectures, seminars, self-study |

**ACADEMIC HONESTY AND INTEGRITY**

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

**COURSE OUTLINE**

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| **Topic** | **In-class hours** | **Readings** |
| Introduction to Investment Management | 4 | [1], [2], [3], Handouts |
| Investment Instruments and Vehicles | 12 | [1], [2], [3], Handouts |
| Return and Risk in Investment | 4 | [1], [2], [3], Handouts |
| Modern Portfolio Theory | 8 | [1], [2], [3], Handouts |
| Managing an Investment Portfolio | 8 | [1], [2], [3], Handouts |
| Information, Market Efficiency and Asset Pricing | 4 | [1], [2], [3], Handouts |
| ESG Investing | 6 | [1], [2], [3], Handouts, Presentations |
| Course overview | 2 |  |
|  | **Total: 48 hours** |  |
| CONSULTATIONS | 6 |  |
| FINAL EXAM | 2 |  |

**FINAL GRADE COMPOSITION**

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| --- | --- |
| **Type of assignment** | **%** |
| ***Group Components*** | ***40*** |
| Written Group Project | 30 |
| Presentation of Group Project | 10 |
| ***Individual Components*** | ***60*** |
| Quizzes | 10 |
| Final Examination | 50 |
| **Total:** | **100** |

**DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT**

**Examinations**

There will be two quizzes (during the course) and one written examination (at the end of the course) that count towards 60% of the final grade – 10% (quizzes) and 50% (final exam). Both consists of multiple-choice questions and/or open questions (both theory and quantitative) and are closed book (students are allowed to bring calculators).

**Group work**

There will be one formal group work during the course that counts towards 40% of the final grade. Tasks (that will be given during the course) mustbe completed in a group up to 5 people. Each group turns in a single copy of its work with the names of all contributing members listed and then presents it to the entire class (according to a schedule agreed during the course). Presentation should take 20 minutes and will be followed by questions and discussion.

**RETAKE POLICY**

Students are allowed to retake the exam in order to pass. The retake exam covers all course material and its weight is 50%. Group work and quizzes cannot be rewritten / retaken but their evaluation (if positive) is not annulled.

**ADDITIONAL REMARKS**

Regular attendance and positive contributions to class are encouraged and rewarded. Consistent positive contributions will help you if you are on a grade border at the end of the course.

**READINGS AND COURSE MATERIALS**

All necessary readings, including research papers, articles and lecture notes will be distributed in class or via eLearning.

Recommended readings/textbooks:

[1] CFA InstituteResources for Investment Professionals **–** available at <https://www.cfainstitute.org/en/research/foundation>

[2] CFA Institute Investment Series by Wiley – available at <https://www.wiley.com/learn/cfashowcase/#portfolio>

[3] Fundamentals of Investing, 14/E (global edition). Scott B. Smart, Chat J. Zutter. Pearson International Edition, 2020.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programmes:*

*International Business and Communication,*

*Business Management and Marketing,*

*Finance,*

*Industrial Technology Management,*

*Entrepreneurship and Innovation*

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| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | BLO1.1. Students will be able to understand core concepts and methods in the business disciplines |
| BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions |
| Students will be socially responsible in their related discipline | BLO2.1. Students will be knowledgeable about ethics and social responsibility |
| Students will be technology agile | BLO3.1. Students will demonstrate proficiency in common business software packages |
| BLO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| BLO4.2. Students will be able to convey their ideas effectively through an oral presentation |
| BLO4.3. Students will be able to convey their ideas effectively in a written paper |

**Learning objectives for the Bachelor of Social Science**

*Programmes:*

*Economics and Data Analytics,*

*Economics and Politics*

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| --- | --- |
| **Learning Goals** | **Learning Objectives** |
| Students will be critical thinkers | ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines |
| ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements |
| Students will have skills to employ economic thought for the common good | ELO2.1.Students will have a keen sense of ethical criteria for practical problem-solving |
| Students will be technology agile | ELO3.1. Students will demonstrate proficiency in common business software packages |
| ELO3.2. Students will be able to make decisions using appropriate IT tools |
| Students will be effective communicators | ELO4.1.Students will be able to communicate reasonably in different settings according to target audience tasks and situations |
| ELO4.2.Students will be able to convey their ideas effectively through an oral presentation |
| ELO4.3. Students will be able to convey their ideas effectively in a written paper |