

INVESTMENT MANAGEMENT

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| Course code | <i>FIN107</i> |
| Compulsory in the programmes | <i>Finance</i> |
| Level of studies | <i>Undergraduate</i> |
| Number of credits | <i>6 ECTS (48 in-class hours + 2 consultation hours + 2 exam hours, 104 individual work hours)</i> |
| Course coordinator (title and name) | <i>Assoc. Prof. Silviu Ursu</i> |
| Prerequisites | <i>Principles of Finance</i> |
| Language of instruction | <i>English</i> |

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

| 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

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

FINAL GRADE COMPOSITION

| 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) must be 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). The presentation should provide sufficient background for other students on how to construct and manage an investment portfolio. 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 covers all course material and its weight is 60%. Group work cannot be rewritten / retaken but its evaluation (if positive) is not annulled.

ADDITIONAL REMARKS

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.

REQUIRED READINGS

- **Fundamentals of Investing**, 13/E (global edition). Scott B. Smart, Lawrence J. Gitman, and Michael D. Joehnk. Pearson International Edition, 2017.
- **CFA Institute Investment Foundations®** and **Research Foundation** Resources available at <https://www.cfainstitute.org/en/>

ADDITIONAL READINGS

Articles and lecture notes as distributed during the class or via Intranet



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*

| 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*

| 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 |