



## ALTERNATIVE INVESTMENTS AND DERIVATIVES

<b>Course code</b>	<i>GRAE033</i>
<b>Course title</b>	<i>Alternative investments and Derivatives</i>
<b>Type of course</b>	<i>Compulsory</i>
<b>Level of course</b>	<i>Advanced</i>
<b>Department in charge</b>	<i>Graduate school</i>
<b>Year of study</b>	<i>1<sup>st</sup></i>
<b>Semester</b>	<i>2<sup>nd</sup></i>
<b>Number of credits</b>	<i>6 ECTS; 36 hours of class work, 124 hours of self-study, 2 hours of consultations</i>
<b>Lecturer</b>	<i>Prof. Theodosios Dimopoulos</i>
<b>Course prerequisites</b>	<i>Basic Finance, Economics and Statistics, Asset Pricing</i>
<b>Form of studies</b>	<i>Consecutive (evening)</i>
<b>Teaching language</b>	<i>English</i>

### THE AIM OF THE COURSE

The aim of the course is to learn why and how to invest in alternative investments, as well as how to manage various risks by using derivatives as a part of the portfolio. It will cover the most interesting and most commonly used instruments within the alternative investments universe as well principles of derivatives valuation. Course intention is to give students knowledge and understanding at the level they can further explore issues by themselves.

### 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)	Assessment methods	Teaching methods
CLO1. Assess the risk, value and performance of alternative investment assets.	LO1.1, LO1.2., LO3.2	Exams, written analysis, coursework	Lectures, discussion, coursework
CLO2. Make effective investment decisions	LO1.1, LO1.2., LO3.2	Exams, written analysis, coursework	Lectures, discussion, coursework
CLO3. Understand the payoff, basic principles of valuation of the derivative securities. Apply those securities to manage various financial risks.	LO1.1, LO1.2., LO3.2	Exams, written analysis, coursework	Lectures, discussion, coursework

### 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 reminds 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
1	Introduction to the course. Private Equity	4	Reading 1
2	Private Equity and Venture Capital	4	Reading 1
3	Publicly traded real estate securities	4	Reading 2
4	Hedge fund strategies, Alternative investments within the investment portfolios.	4	Reading 3
5	Structured securities	4	Reading 4
6	Derivatives, review of the basics	4	Reading 5
7	Valuation of forwards and futures	4	Reading 6
8	Valuation of contingent claims (options and exotic derivatives)	4	Reading 7
9	Derivative strategies for Private Equity	4	Reading 8
		Total: 36 hours	
	Consultations	2	
	Final Examination	2	

## FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components</i>	40
Written report/exercise	40
<i>Individual Components</i>	60
Final Examination	60
<b>Total:</b>	<b>100</b>

## DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

### Written report/exercise.

Students will be given a task to analyze an issue/topic within the financial markets and present the findings in a short report.

### Final examination.

Final examination will encompass all the topics studied in the course. It will be a combination of mini-essays, short answer questions and calculations.

## RETAKE POLICY

In case of a negative final grade, students are allowed a re-sit exam. It will cover all course material. The weight of a re-sit is 60% of the final cumulative grade. Evaluation for report and presentation is not annulled. Students have to adhere to deadlines, as no extensions will be granted.

## ADDITIONAL REMARKS

It is expected that students have an access to the personal computer/laptop with a camera, has a good quality internet connection and access to spreadsheet software such as MS Excel, Numbers or Spreadsheets.

**REQUIRED READINGS**

Lecture notes

Chambers, D. R., Anson, M. J., Black, K. H., Kazemi, H. B., & CAIA Association. (2020). *Alternative Investments: CAIA Level I*, 4<sup>th</sup> Edition, John Wiley & Sons.

Metrick, A., Yasuda, A.,. (2021). *Venture Capital and the Finance of Innovation*, 3<sup>rd</sup> Edition, John Wiley & Sons

**ADDITIONAL READINGS**

Hull, J.C. (2021) *Options, Futures and other derivatives*, Global Edition, 11<sup>th</sup> Edition, Prentice Hall.

Additional material (online sources, business articles, cases) may be assigned by the instructor.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for Master of Social Science**

*Programme:*

*Financial Economics*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	LO1.1. Students will be able to identify underlying assumptions, limitations of previous research; evaluate managerial solution alternatives.
	LO1.2. Students will become <b>independent learners</b> and develop their own comprehension of scientific theories, models, and concepts.
Students will be socially responsible leaders	LO2.1. Students will be able to evaluate past and current practices in their discipline from an <b>ethical perspective</b> .
Students will be effective communicators	LO3.1. Students will develop and deliver a <b>coherent oral presentation</b> .
	LO3.2. Students will develop and deliver a <b>coherent written research paper</b> .