

COURSE SPECIFICATION DOCUMENT

NOTE: ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING LTPC.

| | |
|------------------------------------|--|
| Academic School/Department: | Richmond Business School |
| Programme: | BA (Hons) Finance and Investment |
| FHEQ Level: | 6 |
| Course Title: | The Global Investor |
| Course Code: | FNN 6405 |
| Course Leader: | Ivan K. Cohen |
| Student Engagement Hours: | 120 |
| Lectures: | 30 |
| Seminar / Tutorials: | 15 |
| Independent / Guided Learning: | 75 |
| Semester: | Fall/Spring |
| Credits: | 12 UK CATS credits 6 ECTS credits 3 US credits |

Course Description

This course critically considers the tools and techniques available to the contemporary investor facing a near-global financial system. A consideration of the practical implementation of modern portfolio theory (MPT) across a broad range of instruments, including standards for individual instrument selection, leads to critical analysis of its conceptual foundations. Alternatives are considered, including APT, fundamental analysis and technical analysis.

Prerequisites FNN 5200, FNN 5205

Aims and Objectives

- To develop a full understanding of the nature and role of the global financial system
- To learn how to develop investment objectives, both strategic and tactical, and construct appropriate multi-asset portfolios
- To be able to apply a range of analytical tools and techniques: financial, economic, market, and interpret the results for robust decision-making
- To learn how to monitor the portfolio and respond to changes in circumstances

- To learn how to measure and evaluate performance

Programme Outcomes

A1, A5, A5

B1, B2, B4

C1, C2

D1, D3, D4, D5

A detailed list of the programme outcomes are found in the Programme Specification. This is located at the Departmental/Schools page of the portal.

Learning Outcomes

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Develop a full understanding of the nature and role of the international financial system, especially its investment markets.
2. The ability to develop investment objectives, both strategic and tactical, and construct appropriate multi-asset portfolios.
3. Understand and critique a wide range of analytical tools and techniques for the construction of a global investment portfolio, including risk management, and interpret the outcomes.
4. Critical monitoring of the global investment portfolio, and the ability to recommend alterations in response to changing circumstances.
5. Understand how to measure and evaluate investment performance.

Cognitive Skills

1. Understanding the language and jargon of finance in a global area, and be able to converse fluently.
2. Understanding the nature and role of the international financial system—including its regulation.
3. To understand the various tools and techniques for investment decision-making, including hedging.
4. To compare and contrast modern portfolio theory with alternatives such as behavioural finance, fundamental analysis and technical analysis.

Practical and/or Professional Skills

1. Quantitative and IT skills including the framing of data, its interpretation, extrapolation and presentation.
2. Integration of empirical data within a textual-based report.
3. To be able to compare and contrast key international financial decision-making techniques in the context of a changing international environment.
4. The ability to apply use international financial investment tools, both to hedge risk and inform the making of other key decisions, both tactical and strategic.

Key Skills

1. Effective communication skills via a range of media.
2. Ability to develop strong analytical skills through listening, discussion and reflection.

Indicative Content

1. The evolution of the financial system in response to changing circumstances.
2. Critical examination of modern portfolio theory.
3. Advances in portfolio theory: the APT.
4. An introduction to behavioural finance.
5. Fundamental analysis.
6. An introduction to technical analysis.
7. Hedging portfolio risk: forwards, futures, options, swaps, other.
8. Commodities and other alternative investments.
9. Portfolio measurement and evaluation.

Assessment

This course conforms to the Richmond University Standard Assessment Norms approved at Academic Council on June 28, 2012.

Teaching Methodology

Semi-formal weekly presentation of material in lecture format interspersed with discussion. Supplemented with a rigorous set of readings and some audio-visual material. Full use of IT, particularly Excel™, but also including social media and podcasts, is encouraged and supported. The empirical project is of crucial impact as a learning tool.

Bibliography

- Brealey, Richard A., Stewart C. Myers and Franklin Allen (2019) *Principles of Corporate Finance*, thirteenth edition, McGraw-Hill Irwin
- Cohen, Ivan K. (2005) *Focus on Financial Management*. Imperial College Press
- Cohen, Ivan K. (2015) *Economics for Business: A Guide to Decision Making in a Complex Global Macroeconomy*. Kogan Page
- Cohen, Ivan K. and Khine Kyaw (2009), *Globalisation of Financial Markets*. London: **ifs** School of Finance
- Durlauf, Steven N. and Lawrence E. Blume (Edited by) (2010) *Behavioural and Experimental Economics (The New Palgrave Economics Collection)*. Palgrave Macmillan
- Gibson, Roger C. (2013) *Asset Allocation: Balancing Financial Risk*, fifth edition. McGraw-Hill
- Higgins, Robert C., Jennifer L. Koski and Todd Mitton (2018) *Analysis for Financial Management, twelfth edition*. McGraw-Hill
- Reilly, Frank K. and Keith C. Brown (2015), *Investment Analysis and Portfolio Management*, EMEA edition. Thomson/South-Western
- Ross, Stephen A., Randolph W. Westerfield and Jeffrey Jaffe (2018) *Corporate Finance*, twelfth edition. Irwin/McGraw-Hill
- Rutterford, Janette with Marcus Davison (2007) *An Introduction to Stock Exchange Investment*, third edition. Palgrave Macmillan
- Soros, George (2008) *The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What It Means*. Public Affairs
- Taleb, Nassim Nicholas (2007), *Foiled by Randomness: The Hidden Role of Chance in Life and in the Markets*. Penguin Books
- Taleb, Nassim Nicholas (2007), *The Black Swan: The Impact of the Highly Improbable*. Penguin Books
- Valdez, Stephen and Philip Molyneux (2015) *An Introduction to Global Financial Markets*, 8th edition. Palgrave Macmillan

Journals

- American Economic Review* (www.aeaweb.org/journals/aer)
- Economic Journal* (www.res.org.uk/journals/the-economic-journal.html)
- Journal of Economic Perspectives* (www.aeaweb.org/journals/jep)
- Journal of International Money and Finance* (www.journals.elsevier.com/journal-of-international-money-and-finance)
- Journal of Political Economy* (www.journals.uchicago.edu/toc/jpe/current)
- Quarterly Journal of Economics* (academic.oup.com/qje)

Web Sites

- The Economist* (www.economist.com)
- The Financial Times* (www.ft.com)
- Global Association of Risk Professionals* (www.garp.org)
- Investors Chronicle* (www.investorschronicle.co.uk)
- The Wall Street Journal* (www.wsj.com)
- Bank of England (www.bankofengland.co.uk)
- Bank for International Settlements (BIS) (www.bis.org)
- The Bank of Japan (www.boj.or.jp/en)
- The Bundesbank (www.bundesbank.de)
- CFA Institute (www.cfainstitute.org)
- The Chartered Institute for Securities and Investment (CISI) (www.cisi.org)
- CIA World Factbook (www.cia.gov/library/publications/the-world-factbook/)

