

## COURSE SPECIFICATION DOCUMENT

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

<b>Academic School/Department:</b>	Business & Economics
<b>Programme:</b>	BA (Hons) Business Administration with Combined Studies BA (Hons) Economics with Combined Studies BA (Hons) Financial Economics with Combined Studies - pending
<b>FHEQ Level:</b>	6
<b>Course Title:</b>	The Global Investor
<b>Course Code:</b>	FNN 6405
<b>Course Leader:</b>	Ivan K. Cohen
<b>Student Engagement Hours:</b>	<b>120</b>
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75
<b>Semester:</b>	Fall/Spring
<b>Credits:</b>	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 & 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:**

Kevin Boakes (2009), *Reading and Understanding the Financial Times*, 2nd edition. FT/Prentice Hall  
Keith C. Brown and Frank K. Reilly (2008), *Investment Analysis and Portfolio Management*, international edition. Thomson/South-Western

Ivan K. Cohen (2005) *Focus on Financial Management*. Imperial College Press

Ivan Cohen and Khine Kyaw (2009), *Globalisation of Financial Markets*. London: **ifs** School of Finance

Steven N. Durlauf and Lawrence E. Blume (Edited by) (2010) *Behavioural and Experimental Economics (The New Palgrave Economics Collection)*. Palgrave Macmillan  
Roger C. Gibson (2008) *Asset Allocation: Balancing Financial Risk*, fourth edition. McGraw-Hill

Robert Leach (2004) *The Investor's Guide to Understanding Accounts: 10 crunch questions to ask before investing in a company*. Harriman House

Nicholas Taleb Nassim (2007), *Foiled by Randomness: The Hidden Role of Chance in Life and in the Markets*. Penguin Books

Nicholas Taleb Nassim (2007), *The Black Swan: The Impact of the Highly Improbable*. Penguin Books

Janette Rutterford with Marcus Davison (2007) *An Introduction to Stock Exchange Investment*, third edition. Palgrave Macmillan

Stephen Valdez and Philip Molyneux (2010) *An Introduction to Global Financial Markets*, 6th edition, Palgrave Macmillan

George Soros (2008) *The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What It Means*. Public Affairs.

## **Journals**

American Economic Review

Economic Journal

International Finance

Journal of Economic Perspectives

Journal of International Money and Finance

Journal of Political Economy

Quarterly Journal of Economics

## **Web Sites**

The Economist ([www.economist.com](http://www.economist.com))

The Financial Times ([www.ft.com](http://www.ft.com))

The Wall Street Journal ([wsj.com](http://wsj.com))

Briefing Notes in Economics ([www.richmond.ac.uk/bne](http://www.richmond.ac.uk/bne))

The International Monetary Fund (IMF) ([www.imf.org](http://www.imf.org))

The Organisation for Economic Co-operation and Development (OECD) ([www.oecd.org](http://www.oecd.org))

The World Bank ([www.worldbank.org](http://www.worldbank.org))

The Bank for International Settlements (BIS) ([www.bis.org](http://www.bis.org))

The European Union Online ([europa.eu.int](http://europa.eu.int))

The European Central Bank (ECB) ([www.ecb.int](http://www.ecb.int))

The Bundesbank ([www.bundesbank.de](http://www.bundesbank.de))

The Bank of England ([www.bankofengland.co.uk](http://www.bankofengland.co.uk))

