

Academic Year: (2020 / 2021)

Review date: 11-08-2020

Department assigned to the subject: Department of Business Administration

Coordinating teacher: PEÑA SANCHEZ DE RIVERA, JUAN IGNACIO

Type: Electives ECTS Credits : 6.0

Year : 4 Semester :

STUDENTS ARE EXPECTED TO HAVE COMPLETED

Mathematics (Linear Algebra and Calculus), Statistics, Econometrics I and II, Microeconomics III, Financial Economics, Corporate Finance, Financial Systems

COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.

The design and management of Long-run and short-run investment strategies with special focus on the energy transition investing.

DESCRIPTION OF CONTENTS: PROGRAMME**PROGRAM:**

Chapter 1. Introduction

What is this course about?

Grading

Data and Software

Project

Asset standardized description (Assignment #1)

Chapter 2. Investments: Assets and Strategies

Asset Classes

CFD

ETF (Assignment #2)

Investment Strategies: Passive and Active

Asset Allocation

Security Selection

Market Timing

Portfolio weights

Portfolio performance

Chapter 3. Green Investment Gap

Green Investment Gap (GIG)

GIG : Public sector initiatives

GIG: private markets

Road map

Sources of financing

Limitations of traditional instruments

New financial instruments for the energy transition

Chapter 4. Sources of financing and limitations of traditional products

Sources of financing

Return and risk: key factors

Who does what: Debt

Who does what: Equity

Limitations of traditional instruments: bonds and stocks (Assignment #3)

Chapter 5. Green Investment Banks

Green Investment Banks (GIB)

What they are

What they do

Risk mitigants

Transaction enablers

Key contributions

Measuring results

Chapter 6. Green Bonds

What is a green bond?

Labeling

The market of GB

Primary market

Secondary market

Portfolios

Corporate performance of GB issuers

Other green debt instruments

Chapter 7. Power Purchase Agreements

Why PPA?

Physical PPA

Virtual PPA (VPPA)

Cash flows VPPA

VPPA as a Financial Swap

Pricing Fixed-for-floating Swaps

Prons and cons of VPPA

Case: Cummins VPPA (Assignment #4)

Chapter 8. Securitization and YieldCos

Securitization

Solar Securitization

Refinancing

Master Limited Partnerships (MLPs)

YieldCos structure

CAFD

Pros and Cons

A Viable model for YieldCos

Chapter 9. Personal portfolio choice

Preliminaries

Life expectancy

Instruments

Insurance

Asset allocation

Investment funds

REITS

RoboAdvisors

Chapter 10. Behavioral finance

Efficient Markets?

Some experiments

Psychology

Biases

Preferences

Prospect Theory

Limits to Arbitrage

Bubbles

Behavioral Investment Strategies

LEARNING ACTIVITIES AND METHODOLOGY

Methodology:

- (1) Theory.
- (2) Cases
- (3) Computer simulations.
- (4) Exercises
- (5) Class discussion.

ASSESSMENT SYSTEM

Grading: Project paper, Cases and exercises, Class participation.

Cases and exercises/class participation 40%.

Cases: groups of 4 persons

Project: Individual 60%

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% end-of-term-examination:	0
% of continuous assessment (assignments, laboratory, practicals...):	100

BASIC BIBLIOGRAPHY

- - COCHRANE, J.H. Asset Pricing, Princeton University Press. , 2005
- - DIMSON, E., P. MARSH, and M. STAUNTON Triumph of the Optimists: 101 Years of Global Investment Returns, Princeton University Press, 2002
- - SHEFRIN, H. Beyond Greed and Fear: Understanding Behavioral Finance, Oxford University Press. , 2002
- A. Ilmanen Expected returns, Wiley, 2011
- CAMPBELL, J. y VICEIRA, Strategic Asset Allocation, Oxford University Press, . 2002.

ADDITIONAL BIBLIOGRAPHY

- H. Minsky Stabilizing an unstable economy, McGraw Hill, 2008
- Monnery, N. Safe as Houses?. A Historical Analysis of Property Prices. , London Publishing., 2011