

Introduction to Investment and Financial Markets ONSITE (EM054ME5B)

Program	PGE
Course set (UE) / Credits (ECTS) / Track / Specialization	Module :Introduction to Investment and Financial Markets : 5 ECTS. <ul style="list-style-type: none">• BEM Bachelor in European Management• PGE 2A - English track
Discipline	Finance
Year	2020
Semester	B
Open for visitors	yes (5 ECTS)
Available spots	25

Coordinator

Vivien LEFEBVRE

Lecturers

Instructor	Population	Email
Vivien LEFEBVRE	Population	

Course format

Working language :	English
Volume of contact hours :	27 h
Workload to be expected by the student :	108 h

Course track

Track : Attendance

Attendance track :

Attendance at lectures/tutorials and intermediate/final assessments is mandatory. As in-class work constitutes an essential element of evaluation, any unjustified absence will be penalized (*see Study and Examination Regulations*) and factored into the final grade (*see Assessment*).

Autonomous track :

Attendance at intermediate/final assessments is mandatory, but students have the option of attending lectures/tutorials.

Attendance at lectures/tutorials and intermediate/final assessments is mandatory for all degrees making up the Master's Program and all degrees involving co-op (*apprentissage*). Attendance track must therefore be selected.

Contribution of the course to the educational objectives of the program

How the course contributes to the program :

BEM Bachelor in European Management

PGE 2A - English track

Description

This course will give students a global perspective on financial markets organisation and instruments. In the first chapter, we will present the different segments of the financial markets (Money Market, Bond Market, Stock Market, Forex). Then, we will focus on bonds valuation and bond markets. The third chapter will be dedicated to stocks, with the study of the risk and return couple. The fundamentals of the Capital Asset Pricing Model and Portfolio Theory will be dealt with in chapter 4. Finally, chapter 5 will provide a brief introduction to derivatives with a focus on options.

Educational organisation

In class

Lectures

Tutorials

Tutoring

In groups

Exercises

Projects

Learning outcomes

Upon completion of this course, students should be able to :

- **Identify** the various segments of the financial markets
- **Memorize** the key theoretical hypotheses underpinning the main financial theories (market efficiency, portfolio diversification)
- **Characterize** the different organizational structures of financial markets (OTC versus organized markets)
- **Distinguish** the different forms of financial risks (systematic, firm-specific, global) and their measures
- **Compute** the price of various simple securities (stocks, bonds) using discounting techniques
- **Use** simple security pricing models (like the CAPM)

Outline

Chapter 1 : Financial Markets Organisation

Chapter 2 : Bonds and Bond Market

Chapter 3 : Stocks

Chapter 4 : the Capital Asset Pricing Model

Prerequisites

Key concepts to understand :

Fundamentals of Accounting (financial statements analysis), Fundamentals of Financial Mathematics (discount rate)

Knowledge of :

Basic knowledge in Financial Economy

Teaching material

Documents in all formats

- Transparencies in paper format
- Worksheets
- Newspaper articles

Recommended reading

Major works :

Berk, J. & DeMarzo, P (2006) Corporate Finance. International Edition, Wiley

Further reading :

Research works by EM Strasbourg :

Assessment

Intermediate evaluation / continuous assessment 1 :

written / in group / English / weighting : 30%
additional information : The intermediate assessment is a group team project. By groups of 4 to 5 students, students are asked to select one industry and pick up as many companies as there are students in the group. These companies must be French publicly listed companies. The students will have a set of questions related to these companies to answer. Full project guidelines will be provided during the course and on Moodle. There will be intermediate follow-up sessions to help the students progress in their work.

Final assessment : exam week

written (120 min) / individual / English / weighting : 70%
additional information : Final exam made of multiple questions and exercises.

Grounds for expulsion from classes

Behaviors such as

arriving late, leaving early, or exiting the classroom at inopportune moments during class

ostentatiously eating or drinking in class

using smartphones or laptops for non-class-related purposes

reading texts unrelated to the course

discussing topics unrelated to the course

disrespecting the lecturer

may lead to expulsion from the class/course.