

UNIVERSITY OF CASTILLA-LA MANCHA

TEACHING GUIDE / SYLLABUS

1. Course and Instructor Information

Subject: Investment Analysis and Portfolio Management
Type: COMPULSORY
Degree: 317 –BUSINESS MANAGEMENT AND ADMINISTRATION
Faculty: (5) ECONOMIC AND BUSINESS SCIENCES – ALBACETE
Year: 2

Course number: 54312
ECTS Credits: 9
Academic year: 2016-17
Group number: 12 13
Semester: 2

Official language: Spanish

Second language: English

Teaching use of additional languages:

Some textbooks, suggested readings and supplementary resources for the students can be available in English. Furthermore, this subject offers support in English for Erasmus Students.

Web site:

| Instructor's name: ANTONIO DIAZ PEREZ – Group number: 12 13 | | | | |
|---|-----------------------|-----------|----------------------|--------------------------------|
| Office location | Department | Telephone | Email address | Office hours |
| Faculty of Economics and Business Sciences Number: 3.06 | ECONOMICS AND FINANCE | 2351 | antonio.diaz@uclm.es | It will be announced in Moodle |

Web site:

| Instructor's name: FRANCISCO ESCRIBANO SOTOS – Group number: 12 130 | | | | |
|---|-----------------------|-----------|--------------------------|--------------------------------|
| Office location | Department | Telephone | Email address | Office hours |
| Faculty of Economics and Business Sciences Number: 3.20 | ECONOMICS AND FINANCE | 8272 | francisco.esotos@uclm.es | It will be announced in Moodle |

2. Prerequisite

Basic knowledge about mathematical and financial concepts, such as calculus and numerical series, progressions, logarithms, derivation and basic integration, interest rates and financial transactions, among others.

3. Justification in the curriculum, relationship with other subjects and the professional career

The purpose of this course is to communicate the fundamentals of financial analysis and financial management. The course is presented in two parts. The first part covers the basics, including the objective of financial management and the investment decisions under certainty. The second part examines the relation between risk and return and the portfolio theory.

The principles and tools of finance are applicable to all forms and sizes of business enterprises, not only to large corporations. These concepts allow students to make decisions as financial managers of a company.

This subject is related with many others, because of concepts such as risk and return, financial instruments, investment projects, diversification, asset portfolios (directly interrelated with Economic Policy, Basic Accounting, Principles of Economics, Mathematics, Statistics, Introduction to Econometrics, Economic History, Financial System, etc.).

The subject of "Investment Analysis and Portfolio Management" is an essential part of the background in a degree in Business Management and Administration as well as the professional career, both in private enterprise, a financial institution or a public entity. The role of this subject is essential because of the relevance of the financial aspects.

4. Competencies

Competencies achieved with this subject

- E1) Manage and run a company or organization, understand their competitive and institutional position, and identify their strengths and weaknesses.
- E3) Establish the planning and organization of any task in a company with the ultimate goal of helping make business decisions.
- E5) Develop the ability to analyze any information on the situation and possible development of a company and transform it into a business opportunity.
- E8) Ability to produce financial information, relevant to the decision-making process.
- E9) Ability to carry out a financial evaluation of the different assets of a company at different points in time and at different levels of risk.
- E13) Ability to make logical representative models of the business reality.
- G1) Possession of the skills needed for continuous, self-led, independent learning, which will allow students to develop the learning abilities needed to undertake further study with a high degree of independence.
- G3) To develop oral and written communication skills in order to prepare reports, research projects and business projects and defend them before any commission or group of professionals (specialised or non-specialised) in more than one language, by collecting relevant evidence and interpreting it appropriately so as to reach conclusions.
- G4) Ability to use and develop information and communication technologies and to apply them to the corresponding business department by using specific programmes for these business areas.
- G5) Capacity for teamwork, to lead, direct, plan and supervise multidisciplinary and multicultural teams in both national and international environments so as to create synergies which benefit organisations.

5. Learning outcomes

For this subject

To know different basic concepts of Finance, focusing on its interpretation to extract relevant information for the company.

To enable the student to look for, analyse, interpret, summarize and communicate information.

To enable the student to listen and defend arguments orally and in writing.

To train the student to promote ethical practices in the professional career, and the social responsibility in decision-making.

6. Contents

Chapter 1 ENTERPRISE FINANCIAL OBJECTIVE

Chapter 2 THE SELECTION CRITERIA FOR INVESTMENTS

Chapter 3 THE PROBLEM OF ESTIMATING NET CASH FLOWS

Chapter 4 STOCK MARKET ANALYSIS. RISK AND RETURN

Chapter 5 MARKOWITZ MEAN-VARIANCE MODEL AND INDEX MODELS

Chapter 6 THE CAPITAL ASSET PRICING MODEL (CAPM)

Chapter 7 ARBITRAGE PRICING THEORY (APT)

Chapter 8 EVALUATION OF PORTFOLIO PERFORMANCE

Chapter 9 EFFICIENT CAPITAL MARKETS

Additional comments

7. Course resources and teaching methods

| Learning activity | Methodology | Related Competencies | ECTS | Hours | Assessable | Compulsory |
|--------------------------------------|--|-----------------------------------|------|--------|------------|------------|
| Theoretical classes | Combination of methods | E01, E03, E05; E08; E09; E13 | 2.00 | 50.00 | No | - |
| Practical lessons | Combination of methods | E08; G01; G04 | 0.20 | 5.00 | No | No |
| Production of reports or assignments | Combination of methods Learning portfolio | E08; G01; G04 | 0.40 | 10.00 | Yes | No |
| Final exam | Autonomous work | G01; G03; G04; G05 | 0.10 | 2.5 | Yes | Yes |
| Progress test | Autonomous work | G03, E03, E04, E06, G01 | 0.10 | 2.5 | Yes | No |
| Preparation for tests | Autonomous work | G02, G03, G05, E03, E04, E06, G01 | 4.30 | 107.50 | No | - |
| Other non classroom activity | Combination of methods | G01 | 1.10 | 27.50 | Yes | No |
| Writing reports or Papers | Combination of methods | G01, G03 | 0.4 | 10.00 | Yes | Yes |

8. Assessment criteria and assessment

| Assessment criteria | Assessment | Compulsory |
|---|------------|------------|
| Progress test | 35% | Yes |
| Final exam | 35% | Yes |
| Evaluation and co-evaluation activities | 30% | Yes |

9. Course schedule, assignments, due dates and estimated workload

The chapter sequence is approximately two weeks per item except the last three chapters that have an expected duration of one week per chapter. The last week of each term is devoted to prepare exercises from exams of last years and presentations by students.

10. References and resources

| Author/s | Title/Web site | Publisher | City | ISBN | Year |
|---------------------------------------|--|---|--------|-------------------|------|
| Brealey, Richard | Fundamentos de finanzas corporativas | McGraw-Hill/Interamericana de España | | 978-84-481-5661-9 | 2007 |
| Brealey, Richard | Principios de finanzas corporativas | McGraw Hill McGraw-Hill/Interamericana de | | 978-84-481-4621-4 | 2006 |
| Brealey, Richard A. | Finanzas corporativas | España UNED | | 978-84-481-7208-4 | 2011 |
| Brun Lozano, Xavier | Análisis y selección de inversiones en mercados financieros | Profit | | 978-84-96998-75-9 | 2008 |
| Copeland, Thomas E. | Financial theory and corporate policy | Addison-Wesley Pub. Group | | 978-0-321-22353-1 | 2004 |
| Elton, E.; Gruber, M.J. y Brown, S.J. | Modern portfolio theory and investment analysis | John Wiley & Sons Limited | | 978-0-470-05082-8 | 2007 |
| Grinblatt, Mark | Mercados financieros y estrategia empresarial | Mcgraw-Hill Interamericana | | 84-481-3816-3 | 2003 |
| Haugen, Robert A. | Modern investment theory | Prentice-Hall | | 0-13-019170-1 | 2001 |
| José Luis Sánchez | Curso de bolsa y mercados financieros | Ariel | | 84-344-2176-3 | 2001 |
| Marínez Abascal, E. | Invertir en bolsa: conceptos y estrategias | McGraw-Hill | | | 2000 |
| Pindado, Julio | Finanzas Empresariales | Paraninfo | Madrid | 978-84-9732-895-1 | 2012 |
| Pisón Fernández., Irene | Dirección y gestión financiera de la empresa | Pirámide | | 84-368-1548-3 | 2001 |
| Suárez Suárez, Andrés-Santiago | Decisiones óptimas de inversión y financiación en la empresa | Pirámide | | 84-368-1899-7 | 2005 |