Course Syllabus

BUS 321G – FINANCIAL MARKETS AND INVESTMENTS

FALL 2017

Number of ECTS credits: 6

Time and Place: Fridays, 8.30 a.m. to 11.30 a.m. – Classroom: Veco 3

Contact Details for Professor
Name of Professor: Jean Bellemans
E-mail: belleman@bu.edu
Office hours: Thursdays, 10.30 a.m. to 11.30 a.m.
Fridays, 1.30 p.m. to 2.30 p.m.

Course Prerequisites
BUS 101 (Introduction to Business)
BUS 142G (Financial Accounting)

Course Description
The course aims to familiarize students with the theoretical and practical workings and concepts of financial markets, with a specific focus on investments. The course will provide you with simple, but powerful tools to assess financial management decisions. These tools can be used to make personal financial decisions, but will also prepare you for a career in the financial or investment industry.

The course introduces the different investments types and the different markets in which these securities trade (debt, equity, and derivatives). The concepts of risk/return rate, efficient markets, portfolio allocation, asset pricing are discussed in great detail. Whilst many individual securities entail a high degree of risk, a higher diversification and the creation of a more efficient portfolio allow for better return/risk characteristics. More recent topics, such as the 2008 financial crisis and the advantages of international diversification will also be discussed.

In addition, the students will learn how to manage a “virtual portfolio” of EUR 200,000.

Major learning Objectives
See the attached table.
Course Materials

(1) Required textbook

(B) Required “reader”
The “reader” includes all the documents that we will discuss (other than the textbook, the documents posted on “Pointcarré”, and those handed out in class). They are in the order in which they will be discussed. It is available at “Crazy Copy Center”, on the VUB campus.

(3) Other documents (posted on Pointcarré)
“How to read a financial report” (Merrill Lynch).
The investment studies on the shares/stocks of Alphabet (Google), Amazon, Apple, Facebook and Tesla.
“Get to know the Keytrade Bank banking and trading platform”.
The prospectus for the initial public offering (IPO) of Alibaba Group Holding Limited.
The prospectus for the purchase of Zetes by Panasonic.
The prospectus for the bond issue of Prosafe SE (convertible bonds).
“Navigating risk: a brief guide to the derivatives marketplace and its role in enabling economic growth” (Chicago Mercantile Exchange).
“Financial markets and the allocation of capital” (Jeffrey Wurgler).
“Portfolio selection” (Harry Markowitz).

(4) Recommend newsletters
A number of very interesting newsletters on financial markets and investments are available. My preferred sources are as follows.

(a) The New York Times (NYT)
NYT publishes numerous newsletters. The links may be found at: http://www.nytimes.com/newsletters

In my opinion, the most interesting one is “DealBook”. You may find the link under “business & tech”.

(b) The Financial Times (FT)
FT also publishes numerous newsletters. The links may be found at:
https://www.ft.com/newsletters

In my opinion, the most interesting one is “myFT Daily Digest”.

(c) Institutional Investor (II)
II publishes three newsletters. The link is:
http://www.institutionalinvestor.com/Newsletter#.WV6KO1FLfIV

In my opinion, the most interesting one is “The Essential II”.

Important remark
It is essential that, before each session, you study thoroughly all the documents specified in this syllabus for that session, and that you bring these documents with you.

Grading Scale of Vesalius College
Vesalius College grading policy, in line with the Flemish Educational norms, is now as stated below:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Scale of 20</th>
<th>Scale of 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>17.0-20.0</td>
<td>85-100</td>
</tr>
<tr>
<td>A-</td>
<td>16.1-16.9</td>
<td>81-84</td>
</tr>
<tr>
<td>B+</td>
<td>15.3-16.0</td>
<td>77-80</td>
</tr>
<tr>
<td>B</td>
<td>14.5-15.2</td>
<td>73-76</td>
</tr>
<tr>
<td>B-</td>
<td>13.7-14.4</td>
<td>69-72</td>
</tr>
<tr>
<td>C+</td>
<td>13.1-13.6</td>
<td>66-68</td>
</tr>
<tr>
<td>C</td>
<td>12.3-13.0</td>
<td>62-65</td>
</tr>
<tr>
<td>C-</td>
<td>11.5-12.2</td>
<td>58-61</td>
</tr>
<tr>
<td>D+</td>
<td>10.7-11.4</td>
<td>54-57</td>
</tr>
<tr>
<td>D</td>
<td>10.0-10.6</td>
<td>50-53</td>
</tr>
<tr>
<td>F</td>
<td>Below 10</td>
<td>0-49</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Letter grade</th>
<th>Scale of 20</th>
<th>Scale of 100</th>
<th>Rationale of grading</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>17.0-20.0</td>
<td>85-100</td>
<td>An excellent work, which demonstrates advanced knowledge of empirical background and theoretical/conceptual frameworks. The work is underpinned by an outstanding capacity for learning, mastering of relevant literature and ability to gather and independently assess relevant sources beyond required levels of reading. The proposed analysis draws on solid, critical and original analytical skills and ability to relate theoretical knowledge to empirical cases. The work is well communicated and demonstrates a pertinent and original ability to communicate complex dynamics. The bibliographic and referencing systems are correct.</td>
</tr>
<tr>
<td>A-</td>
<td>16.1-16.9</td>
<td>81-84</td>
<td>A refined piece of work, which demonstrates advanced knowledge of both empirical background and theoretical and conceptual frameworks. The work is underpinned by a good learning attitude; ability to master relevant theoretical literature and coherent attempt to apply this literature to empirical phenomena. Strong critical ability and successful attempt to pursue an original analysis. Adequate reading levels and ability to communicate key findings in an effective way. However, weaknesses can be identified in terms of language, referencing, depth of sources, profundity of analysis and/or organisational structure.</td>
</tr>
</tbody>
</table>

Financial Markets and Investments 3  BUS 321G  Fall 2017
<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
<th>77-80</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B+</td>
<td>15.3-16.0</td>
<td>A good piece of work, sustained by adequate analytical skills. It demonstrates good level of understanding of the relevant theoretical literature and critical ability to apply these frameworks to the topic at hand. Written and oral expression is overall correct, the referencing and bibliographic systems are overall correct. The work could be further improved (minor flaws in the structure of the argument; minor theoretical lacuna), but it remains nonetheless a good piece of work.</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>14.5-15.2</td>
<td>An adequate work, which overall meets the requirement of the assignment. It demonstrates a fairly good level of knowledge of both empirical background information and provides some analytical framework. The work meets the requirements of the assignment in terms of mastery of the literature and learning outcomes. Language, reference and bibliographic systems are generally correct although perhaps with some weaknesses. The work could be significantly improved (e.g. flaws in the organisational structure; limited number of sources; clarity and accuracy of language; theoretical/conceptual lacuna; sub-optimal focus/coherence of argument).</td>
<td></td>
</tr>
<tr>
<td>B-</td>
<td>13.7-14.4</td>
<td>The work meets the basic requirements specifically demanded for the assignment. It shows the attempt to relate with relevant theoretical literature and to apply theoretical frameworks to the analysis of real-life cases. The work, however, does not adequately engage with the critical assessment of either relevant theoretical frameworks or the topic at hand. The work is marked by some combination of flaws in the organisational structure of the paper; theoretical/conceptual lacuna; sub-optimal focus or coherence of the argument; clarity and accuracy of language and/or inappropriate selection of sources.</td>
<td></td>
</tr>
<tr>
<td>C+</td>
<td>13.1-13.6</td>
<td>The work meets the requirements of the assignment in a sufficient way, but does so in an imprecise and incomplete manner. It shows basic knowledge of both theoretical frameworks and the topic at hand. The proposed analysis is marked by some flaws (e.g. poor structure, theoretical or conceptual coherence; limited analysis; basic engagement with the literature).</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>12.3-13.0</td>
<td>The work engages with the assignment and meets the requirements in a somehow satisfactory, but it is marked by several pitfalls. The work lacks focus, it is poorly structured; it is not sufficiently embedded in the literature; it uncritically tackles the topic at hand. The argument is hard to follow and the referencing and bibliographic systems are overall incorrect.</td>
<td></td>
</tr>
<tr>
<td>C-</td>
<td>11.5-12.2</td>
<td>The work does not meet the requirements of the assignment. It engages with the question, but does so in a basic and inadequate way. The work is undermined by several pitfalls. It shows a basic understanding of the module requirements and is jeopardised by major flaws including (but not confined to) a lack of coherence, loose expression, poor coverage of the literature; poor referencing; scant ability to critically assess the topic at hand.</td>
<td></td>
</tr>
<tr>
<td>D+</td>
<td>10.7-11.4</td>
<td>The work does not meet the requirements of the assignment. It attempts to address the question, but it remains unfocused and loosely structured. There is an evident lack of reading and scant ability to relate to relevant literature and to engage critically with the topic at hand. Language is poor; the referencing and bibliographic system is incorrect or incomplete.</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>10.0-10.6</td>
<td>The work is marked by serious flaws and below an acceptable level. The rationale of the assignment is not understood nor addressed. The work demonstrates insufficient understanding of the topic at hand and learning outcomes below the required level. The answer is unfocused; expression is unclear; there are severe flaws in the coherence of the argument; engagement with the literature is minimal, referencing is often poor.</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>0-9.9</td>
<td>The work does not meet any of the requirements and learning objectives of the course and the Major. The argument is loose, language is poor, no knowledge of relevant theoretical and empirical dynamics. Incorrect or incomplete reference systems and/or likely instances of plagiarism.</td>
<td></td>
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</tbody>
</table>
Course Assessment
The students will be evaluated on the basis of their performance as follows

(1) The three written assignments (8 % each) 24 %
(2) The mid-term assessment 24 %
(3) The course project 24 %
(4) The final examination 28 %

The final grade will be the weighted average of the grades for these four components.

Vesalius College Attendance Policy
As the College is committed to providing students with high-quality classes and ample opportunity for teacher-student interaction, it is imperative that students regularly attend class. As such, Vesalius College has a strict attendance policy. Participation in class meetings is mandatory, except in case of a medical emergency (e.g. sickness). Students will need to provide evidence for missing class (doctor’s note). If evidence is provided, the missed class is considered as an excused class. If no evidence is provided immediately before or after the class, the missed class is counted as an absence.

Participation implies that students are on time: as a general rule, the College advises that students should be punctual in this regard, but it is up to the professor to decide whether to count late arrivals as absences, or not.

If students are absent for too many classes for a single course, they receive a penalty on their overall grade for that course.

- If students are absent for five 1.5 hour class sessions of a course, they receive a penalty of 5 points on their overall grade (out of 100) for that course.
- For each additional absence (over five) for a 1.5 hour class session, an additional penalty of 1 point is applied to the reduced course grade.

Example 1: at the end of the semester, a student has a course grade of 75/100. Over the course of the semester, s/he missed 4 unexcused sessions of 1.5 hours for the course. No penalty is applied.

Example 2: at the end of the semester, a student has an overall grade of 75/100. Over the course of the semester, s/he missed 5 unexcused sessions of 1.5 hours for the course. S/he receives a penalty of 5 points (out of a hundred), and his/her final course grade is 70/100.

Example 3: at the end of the semester, a student has an overall grade of 75/100. Over the course of the semester, s/he missed 7 sessions of 1.5 hours for the course. S/He receives a penalty of 7 points, and his/her final course grade is 68/100.

Additional Course Policies
Any non-respect of the deadlines for the submission of the assignments and of the assessments will be penalized.
**Academic Honesty Statement**

Academic dishonesty is **NOT** tolerated in this course. Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity.

Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean for Students and submitted to the Student Conduct Committee for disciplinary action.

If you refer to someone else’s work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.

**Course schedule (Fridays, 8.30 a.m. to 11.30 a.m.)**

<table>
<thead>
<tr>
<th>Session</th>
<th>Day</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>September 1</td>
</tr>
<tr>
<td>2</td>
<td>September 8</td>
</tr>
<tr>
<td>3</td>
<td>September 15</td>
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<tr>
<td>4</td>
<td>September 22</td>
</tr>
<tr>
<td>5</td>
<td>September 29</td>
</tr>
<tr>
<td>6</td>
<td>October 6 (deadline for the submission of the first written assignment)</td>
</tr>
<tr>
<td>7</td>
<td>October 13 (deadline for the submission of the mid-term assessment)</td>
</tr>
<tr>
<td>8</td>
<td>October 20 (deadline for the submission of the second written assignment)</td>
</tr>
<tr>
<td>9</td>
<td>October 27</td>
</tr>
<tr>
<td>10</td>
<td>No session on November 3 (fall recess)</td>
</tr>
<tr>
<td>11</td>
<td>November 10</td>
</tr>
<tr>
<td>12</td>
<td>November 17 (deadline for the submission of the third written assignment)</td>
</tr>
<tr>
<td>13</td>
<td>November 24</td>
</tr>
<tr>
<td>14</td>
<td>December 1 (deadline for the submission of the final project)</td>
</tr>
<tr>
<td>15</td>
<td>December 8</td>
</tr>
<tr>
<td></td>
<td>December 15 (final examination)</td>
</tr>
</tbody>
</table>

**Description of Activities and Grading Criteria**

**The written assignments**

First: shares/stocks and bonds (due on October 6 – session 6).

Second: derivatives (due on October 20 – session 8).

Third: portfolio management (due on November 24 – session 12).

The questions and the rubrics will be communicated during the course.
The mid-term assessment
For this assessment, you should assume that you are the assistant of an investment manager, and that your boss has just received four studies made on each of the following corporations (these studies are posted on “Pointcarré”):

- Alphabet (Google)
- Amazon
- Apple
- Facebook
- Tesla

You should choose one of these corporations. Then, you should assume that your boss has asked you to answer the following questions.

1. Please analyze and compare the four studies on this corporation, including the criteria (such as the financial ratios and the market metrics). In your opinion, what are the most important and useful ratios and metrics?

2. Please compare the conclusions (such as the “target prices” and the investment recommendations) included in these studies. What are the main differences between these conclusions and these recommendations? In your opinion, what are the main reasons for these differences?

3. On the basis of your answers to the above questions, what investment recommendation (for example “strong buy”, or “buy”, or “hold”, or “sell”, or “strong sell”), would you give to your boss? What are the reasons for this recommendation?

Your papers, which must include at least 2,000 words, must be sent to me latest on Friday October 13 at midnight. The rubrics for this assessment are as follows:

<table>
<thead>
<tr>
<th>Rubrics</th>
<th>Poor (0 to 22.9 points)</th>
<th>Good (23.0 to 26.9 points)</th>
<th>Very good to excellent (27.0 to 33.3 points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion of the criteria included in the investment studies</td>
<td>The discussion is very incomplete and/or not clear</td>
<td>The discussion is to some extent incomplete and/or sometimes unclear</td>
<td>The discussion is comprehensive and clear.</td>
</tr>
<tr>
<td>Conclusions based on the financial criteria</td>
<td>The conclusions are to some extent superficial, and/or often not clear, and/or not convincing</td>
<td>The conclusions are to some extent incomplete, and/or sometimes not clear and/or not sufficiently convincing</td>
<td>The conclusions are thorough, clear and convincing</td>
</tr>
<tr>
<td>Comparison of the conclusions and of the recommendations included in the studies</td>
<td>The comparison is incomplete and/or not clear</td>
<td>The comparison is not sufficiently thorough, and/or sometimes not clear</td>
<td>The comparison is thorough and clear</td>
</tr>
<tr>
<td>Investment recommendations and corresponding reasons</td>
<td>The recommendations and the reasons are not clear and/or not convincing</td>
<td>The recommendations and the reasons are not sufficiently clear and/or convincing</td>
<td>The recommendations and the reasons are explained clearly and convincingly</td>
</tr>
<tr>
<td>Total =</td>
<td>/100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The course project - the management of your “virtual portfolio”
Until November 24, you will manage a “virtual portfolio” of EUR 200,000.

(A) The steps to create the necessary account are as follows (to do latest on September 14)

2. Click on “sign-up for a free demo account”.
3. Add your e-mail address and your GSM number, and select “200,000 EUR” under “starting capital”.
4. Click on “sign up”.
5. You will receive your user name by e-mail, and your password by SMS.
6. You may then go to <https://www.keytradebank.lu/en/demo-account/>, log in, and make investment decisions. The steps are explained in the document “Get to know the Keytrade Bank banking and trading platform” that is included in the reader, and posted on “Pointcarré”.

(B) Your “progress reports”
On September 29 (session 5) and on October 27 (session 9), you should give me or send me a short “progress report” (maximum one page), giving an overview of the investment decisions you have made, the reasons for these decisions, and the results so far.
(C) The final report on the management of your “virtual portfolio”

**Latest on Friday December 1 (session 13),** you should give me or send me a report (including at least 2,500 words) that takes into account the “rubrics” specified below.

<table>
<thead>
<tr>
<th>Rubrics</th>
<th>Poor (0 to 22.9 points)</th>
<th>Good (23.0 to 26.9 points)</th>
<th>Very good to excellent (27.0 to 33.3 points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The description of your investment strategy at the beginning, and the</td>
<td>The description is superficial and/or incomplete and/or not clear</td>
<td>The description is generally complete, clear and convincing</td>
<td>The description is very complete, clear and convincing</td>
</tr>
<tr>
<td>evolution of this strategy over time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The chronology of your investment decisions, and the reasons for</td>
<td>The chronology is often incomplete and/or not clear</td>
<td>The chronology is generally complete and clear</td>
<td>The chronology is very complete and clear</td>
</tr>
<tr>
<td>these decisions, including the theory and the other information on</td>
<td>The reasons are often incomplete and/or not clear and/or not convincing</td>
<td>The reasons are generally complete, clear and convincing</td>
<td>The reasons are very complete, clear and convincing</td>
</tr>
<tr>
<td>the basis which you have made these decisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your conclusions on the management of your portfolio. For example,</td>
<td>Your conclusions are often incomplete and/or not clear and/or not convincing</td>
<td>Your conclusions are generally complete, clear and convincing</td>
<td>Your conclusions are very complete, clear and convincing</td>
</tr>
<tr>
<td>looking back, what would you have not done ? Why ?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What would you have done differently ? Why ?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total = /100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**The final examination (“open book”)**
To be able to succeed in this examination, it is essential that:

(1) You prepare each session by studying in depth the documents specified in the syllabus.

(2) You attend all the sessions, and you participate in the discussion of the topics.

(3) During each session, you work on the exercises that we will discuss.

(4) You answer all the questions included in the “take-home” exercises.

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If you refer to someone else’s work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.
THE PROGRAM OF THE SESSIONS

SESSIONS 1 AND 2 (SEPTEMBER 1 AND 8)
Topics
(a) Introduction to the course.
(b) Currencies/foreign exchange.
(c) “Learning with cases”.
(d) The mid-term assessment.
(e) The “virtual portfolio” and the course project.

Readings
Textbook, chapters 1, 2 and 3.
“Note on currencies/foreign exchange”.
“How to read a financial report” (Merrill Lynch) (posted on Pointcarré).
The investment studies on the shares/stocks of Alphabet (Google), Amazon, Apple, Facebook and Tesla (posted on Pointcarré).
“Get to know the Keytrade Bank banking and trading platform”.

Important remark
Latest on September 16, you should open your account and create your “virtual portfolio” as explained on page 7 of this syllabus.

SESSION 3 (SEPTEMBER 15)
Topics
(a) International asset pricing (chapter 4 of the textbook).
(b) The “Capital Asset Pricing Model” (CAPM).
(c) Shares/stocks.
(d) Bonds.

Readings
Textbook, chapter 4.
“Note on bonds”.

Case

Questions to prepare and to discuss in class:

(1) In your opinion, why did Microsoft issue notes in 2010, while it had at that time and would continue to have very large amounts of liquidities?

(2) According to you, what are the main advantages and the main disadvantages:
   - For Norfolk Southern: of issuing 100-year bonds.
   - For investors: of purchasing 100-year bonds.

(3) In your opinion, what are the main advantages and the main disadvantages:
   - For IBM: of issuing floating rate notes.
   - For investors: of purchasing floating rate notes.

(4) According to you, what are the main advantages and the main disadvantages:
   - For Cephalon: of issuing convertible notes.
   - For investors: of purchasing convertible notes.

SESSIONS 4 AND 5 (SEPTEMBER 22 AND 29)

Topics
(a) Equity: markets and instruments (chapter 5 of the textbook).

(b) Equity: concepts and techniques (chapter 6 of the textbook).

(c) The valuation of corporations.

(d) The “initial public offering” (IPO).

(e) The “virtual portfolio” and the course project.

Readings
Textbook, chapters 5 and 6.

“Note on the valuation of corporations”.

The valuation part of the prospectus for the purchase of Zetes by Panasonic (the entire prospectus is posted on Pointcarré).

“Key steps to the IPO” and “Main steps of an IPO process on Euronext”.
Cases
(A) “Alibaba Goes Public” (Harvard Business School 9-115-029) (the prospectus for this IPO is posted on “Pointcarré”).

Questions to prepare and to discuss in class:

(1) What is your opinion on the fact that Alibaba, which is a Chinese group, decided to list its shares on the New York Stock Exchange (NYSE), rather than in Hong Kong or on another Chinese stock exchange.

(2) What is your opinion on the fact that the entity that is listed on the NYSE, i.e. Alibaba Group Holding Limited (AGHL), is a Cayman Island corporation, while most of the assets of the Alibaba Group are Chinese?

(3) Do you feel that the relationship between AGHL and the other corporations of the Alibaba Group is sufficiently transparent? If you were a shareholder of AGHL, or if you were considering purchasing shares of AGHL, to what extent would this relationship bother you?

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Question to prepare and to discuss in class:

Usually, corporations are valued with one or several of the main methods described in my “note on the valuation of corporations”. In your opinion, why was Yahoo! Valued very differently?

SESSION 6 (OCTOBER 6)

This is the deadline for the submission of the first written assignment.

Guest speaker: Brian Dunhill, Manager, Omniwealth, Brussels.

Topics
(a) Global bond investing (chapter 7 of the textbook).

(b) The “virtual portfolio” and the course project.

Readings
Textbook, chapter 7.

“Note on bonds”.

“Sukuk bonds – FAQ”.

“The Luxembourg sovereign Sukuk, a milestone in Islamic finance”.

“Islamic finance – theory and practical use of Sukuk bonds”.

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Note
The reader includes tables of present value factors to be used for the questions on bonds in the first written assignment and in the final examination.

SESSION 7 (OCTOBER 13)
This is the deadline for the submission of the papers for the mid-term assessment (see page 7 of this syllabus).

SESSION 8 (OCTOBER 20)
This is the deadline for the submission of the second written assignment.

Topics
(a) Discussion of the mid-term assessment.
(b) The case for international diversification (chapter 8 of the textbook).
(c) The “Sharpe Ratio”.
(d) The “virtual portfolio” and the course project.

Readings
Textbook, chapter 8.
Documents on the “Sharpe Ratio”.
“Risk and return 1: stock returns and diversification” (Harvard Business School 5223).
“Risk and return 2: portfolio theory” (Harvard Business School 8606).
“Financial markets and the allocation of capital” (Jeffrey Wurgler) (posted on Pointcarré).
“Portfolio selection” (Harry Markowitz) (posted on Pointcarré).

SESSION 9 (OCTOBER 27)
Topics
(a) The case for international diversification (chapter 8 of the textbook).
(b) Derivatives (chapter 9 of the textbook).
(c) The “virtual portfolio” and the course project.
Readings
Textbook, chapters 8 and 9.

“Note on financial futures”.

“Note on financial options”.


**NO SESSION ON NOVEMBER 3 (FALL RECESS).**

**SESSIONS 10 AND 11 (NOVEMBER 10 AND 17)**

**Topics**
(a) Derivatives (chapter 9 of the textbook).
(b) Currency risk management (chapter 10 of the textbook).
(c) The “virtual portfolio” and the course project.

**Readings**
Textbook, chapters 9 and 10.

“Note on financial futures”.

“Note on financial options”.


**SESSION 12 (NOVEMBER 24)**

**This is the deadline for the submission of the third written assignment .**

**Topics**
(a) Global performance evaluation (chapter 11 of the textbook).
(b) Structuring the global investment process (chapter 12 of the textbook).
(c) The “virtual portfolio” and the course project.

**Readings**
Textbook, chapters 11 and 12.
SESSION 13 (DECEMBER 1)

This is the deadline for the submission of the report for the “final project” (see pages 8 and 9 of this syllabus).

Topics
(a) Global performance evaluation (chapter 11 of the textbook).
(b) Structuring the global investment process (chapter 12 of the textbook).
(c) Mutual funds, including “exchange-traded funds” (ETFs).

Readings
Textbook, chapters 11 and 12.

“Exchange Traded Funds” (New York Stock Exchange).

“A comprehensive guide to Exchange Traded Funds (ETFs)” (CFA Institute) (summary: included in the reader; full text: posted on Pointcarré).

The documents on the mutual funds of BNP Paribas that will be handed out in class.

Questions to prepare and to be discussed in class on the basis of the readings

(1) In your opinion, what are the main advantages and the main disadvantages for a professional investor of “exchange traded funds” (ETFs) compared to funds that are not listed?

(2) Same question for a private investor.

SESSION 14 (DECEMBER 8)

Topics
Review of all the topics covered during the course, summary and conclusions.

Readings
All the documents discussed during the course.

SESSION 15 (DECEMBER 15)

Final examination.

Jean Bellemans

August 28, 2017

Attachment: major learning objectives.
### Major Learning Objectives

*Course code and course name:* BUS 321G – Financial Markets and Investments  
*Instructor:* Jean Bellemans

#### Summary:
- Number of assignments used in this course: six
- Number of Feedback occasions in this course (either written or oral): at least six
- Number and types of teaching methods: five
- Does your course require graded student oral presentations?: no

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<th>Level</th>
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<td>Learning objectives</td>
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<td>The bachelor has a broad knowledge of the different functional fields of business management. He is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems.</td>
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<th>Course Learning objectives addressing the Major Objectives (choose the most important ones that your course actually addresses)</th>
<th>Methods used to Teach Course Objectives</th>
<th>Methods (and numbers/types of assignments) used to test these learning objectives</th>
<th>Type, Timing and Numbers of Feedback given to Student</th>
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| The course provides a broad knowledge and understanding of the main financial markets, and the main types of investments | Lectures  
Readings  
Cases  
Investment studies on corporations  
Class discussions  
Guest speakers  
Videos | Three written assignments on topics covered during the course  
The preparation of investment recommendations based on studies written by analysts  
The management of a “virtual portfolio” of EUR 200,000  
Final examination | Written and oral comments on each assignment, given one week after the submission  
In addition, weekly oral feedbacks on the management of the “virtual portfolio” |
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<th><strong>The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making.</strong></th>
<th>The course focuses on the relationship between the main financial markets, on the main types of investors, and on the investment management industry</th>
<th><strong>Readings</strong>&lt;br&gt;<strong>Cases</strong>&lt;br&gt;<strong>Class discussions</strong>&lt;br&gt;<strong>Guest speakers</strong></th>
<th>Three written assignments on topics covered during the course&lt;br&gt;The preparation of investment recommendations based on studies written by analysts&lt;br&gt;Report on the management of the “virtual portfolio”</th>
<th><strong>Written and oral comments on each assignment, given one week after its submission. At least six feedbacks</strong>&lt;br&gt;In addition, weekly feedbacks on the management of the “virtual portfolio”</th>
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<td><strong>The bachelor is able to identify the international dimension in business-related problems and knows how to handle these problems in an effective way.</strong></td>
<td>The course focuses on the international aspects of the financial markets and of the types of investments</td>
<td><strong>Readings and cases</strong>&lt;br&gt;<strong>on the international financial markets, the international investments, and the international investment management industry</strong></td>
<td><strong>Readings on the diversification of portfolios achieved by internationalizing them</strong></td>
<td><strong>Written and oral comments on each assignment, given one week after its submission. At least six feedbacks</strong>&lt;br&gt;In addition, weekly feedbacks on the management of the “virtual portfolio”</td>
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<td><strong>The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation.</strong></td>
<td>All the assignments require that the students communicate clearly, fluently and accurately in writing</td>
<td><strong>Readings</strong>&lt;br&gt;<strong>Cases</strong></td>
<td>Three written assignments on the topics covered during the course&lt;br&gt;The preparation of investment recommendations based on studies written by analysts&lt;br&gt;Report on the management of the “virtual portfolio”</td>
<td><strong>Written and oral comments on each assignment, given one week after its submission. At least six feedbacks</strong>&lt;br&gt;In addition, weekly feedbacks on the management of the “virtual portfolio”</td>
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