

## Module Outline: Global Finance

<b>Code</b>	<b>FIN</b>
<b>Title</b>	<b>Global Finance</b>
<b>Credits</b>	<b>5 ECTS</b>
<b>Workload</b>	The main phase of this course comprises a week of lectures and hands-on sessions, including working with datasets to construct a portfolio. Students will work in groups and individually, with lectures, practicals, and guest lectures. Over the following five weeks, during their internship, students will be required to prepare, monitor, and report on the performance of two investment portfolios: one globally diversified portfolio and one domestic portfolio.
<b>Description</b>	This subject is an introduction to modern global finance. As domestic and international companies become more sophisticated, it is essential to have an understanding of global financial systems. In recent times, political systems have become more uncertain around the world, resulting in increasingly volatile financial markets. Informed investors and financial managers can develop investment strategies that yield significant returns, even during times of macroeconomic uncertainty. In this module, topics covered include an overview of the global financial markets and the impact of news and “fake news”, tariffs and trade wars, financial analysis and planning, asset valuation, capital investment decisions, and portfolio analysis.
<b>Learning Outcomes</b>	On successful completion of this module, students should be able to: <ul style="list-style-type: none"> <li>• Understand the role of the financial manager, the individual investor, and how the two interact.</li> <li>• Understand how global macroeconomic events affect companies and individual investors.</li> <li>• Analyse financial statements and extract relevant information to make profitable investment decisions.</li> <li>• Understand why information is deemed the most valuable commodity on Wall Street and how information plays a vital role in successful investment strategies.</li> <li>• Identify, collect, and critically evaluate relevant financial data in order to propose good investment recommendations.</li> <li>• Use financial data and spreadsheet modelling to prepare and analyse investment strategies.</li> </ul>
<b>Assessment Strategy</b>	100% continuous assessment. Three assignments: <ol style="list-style-type: none"> <li>1. Students will use the built-in Bloomberg exam system to gain a Bloomberg Certificate (individual assignment, 10%).</li> <li>2. Students will investigate the role of information on the stock price of either (a) Apple, (b) Alphabet, (c) FaceBook, (d) Amazon from September 2018 to June 2019 identifying how firm-specific, industry-specific and macroeconomic information has influenced the stock price of the chosen firm over time (individual, 40%).</li> <li>3. Students will gather data from Bloomberg, and calculate returns and</li> </ol>

	risks for various investments. They will choose two portfolios (one domestic, one international) and calculate risk, return, and Sharpe Ratio for each portfolio. Students will monitor their portfolios (asset prices, company announcements, overall portfolio performance) during the module. Finally, they will produce a short written report and presentation (group assignment, 50%).
<b>Requirements</b>	Laptop with any version of Excel or equivalent free software (LibreOffice or Google Sheets)  Audio headphones needed for watching Bloomberg University videos.
<b>Prerequisites</b>	Some knowledge of basic statistics is required.

### Readings

Brealey/Myers/Marcus: "Fundamentals of Corporate Finance", chapters 11 & 12

<https://www.investopedia.com/articles/investing/112614/alibaba-ipo-why-list-us.asp>

<https://www.ft.com/content/e582b3a6-c114-11e8-8d55-54197280d3f7>

<https://www.bbc.com/news/business-46268412>