



PRESENTACIÓN

This is intended as a first course in investments for students of business, economics and finance who have already learned the fundamental concepts of the mathematics of finance, such as time value of money, valuation of cash flows, net present value, etc. Assuming this basic knowledge, the idea of this course is to become familiar with the principles of investments in financial markets and the different asset classes and financial instruments, the risk and return trade-off, the efficient diversification theory, financial statement analysis and the valuation of some of the most common financial instruments.

Executive summary

By studying this subject, students will develop a broad and basic knowledge of the principal financial markets and financial assets used for investing. Students will learn the differences between real and financial assets, the different classes of financial assets and where to find the markets for these assets, and the role of financial assets in distributing wealth and risk between the different market participants.

The subject also aims to develop basic technical skills for evaluating and trading the principal financial assets studied during the course. These skills include:

1. learning basic measures of financial risk and how to interpret them
2. learning how to construct a portfolio of financial assets, measure its performance, and report it to investors
3. learning basic strategies for trading of financial assets

- **Titulación:** International Economics
- **Módulo/Materia:**
- **ECTS:** 6ECTS
- **Curso, semestre:** Spring semester Second year
- **Carácter:** Mandatory
- **Profesorado:** Alvaro Banon. Abanon@unav.es
- **Idioma:** English
- **Aula, Horario:**
 - Tuesdays, 8:00 Classroom M2 Amigos Building
 - Thursdays 8:00 Classroom 13 FCOM Building

RESULTADOS DE APRENDIZAJE (Competencias)

CB2 Students should be able to apply their knowledge to their job or vocation in a professional way. They should be able to prove their general competencies by developing and defending arguments and solving problems within their subject area

CB5 Students should have developed the learning skills necessary to undertake higher programs of study with greater independence.



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CG2 Identifying, incorporating and using acquired knowledge in argument, discussion and problem solving as they apply to economics and business. CG4 Teamwork. CG5 Developing the capacity for independent critical thought on matters relevant to economics and business.

CE2 Incorporating mathematical reasoning and quantitative tools in a business's decision-making processes.

CE10 Developing case studies on subjects related to economics and business.

CE8 Understanding business in theory and in practice, as well as businesses' organizational structures and the relationships between their different components.

CE4 Analyzing a business's real-life accounting and finance situation and making projections about its future.

- CE3 Understanding the most relevant aspects of corporate transactions, financial derivatives, risk management, and investment projects.

PROGRAMA

Topic 1: overview of financial markets

Lesson 1: Intro to assets, Financial markets, and players (Ch01)

Lesson 2: Asset classes and securities (Ch02)

Lesson 3: Securities markets (Ch03)

Topic 3: Equity security analysis

Macroeconomic and Industry Analysis (Ch12)

Equity valuation (Ch13)

Financial statement analysis (Ch14)

Topic 2: Debt security analysis.

Bond prices and yields (Ch10) - (Quick review of content covered in Fundamentals of Finance)

Managing Bond Portfolios (Ch11)

Topic 4: derivative security analysis

Futures (Ch17)

Options (Ch15, Ch16)

Topic 5: Portfolio Theory Measuring risk and returns (Ch05)

Diversification and efficiency (Ch06) - plus additional material to be uploaded on ADI



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CAPM y APT models (Ch07)

- Chapters refers to the book Investments (Bodie, Kane and Marcus) Global Edition Ed 10

ACTIVIDADES FORMATIVAS

- structure of the theoretical and practical classes:
- The content of the subject will be covered in theoretical and practical classes of 45 minutes each. The theoretical classes will also include the resolution of practical exercises and cases. Attendance and, above all, active participation in class will be valued.
- The distribution of the theoretical and practical classes is as follows:
 - Theoretical classes: 44 hours Practical classes: 4 hours Exercises, cases,
 - Connect and home study: 107 hours Exams: 5 hours
 - Total hours dedicated: 160 hours
 - Practical exercises: Most of the topics in the program will include the realization of practical exercises in class. Likewise, certain exercises and cases to be solved or developed by students individually or as a team will be published in ADI in due time before the deadline for delivery. At the end of each topic or block of the syllabus, as the case may be, there will be eminently practical classes for solving exercises where some students, both individually and in teams, will present the resolution of said exercises and cases. The submission and presentation (if required) of the requested works are determining factors for the final grade of the continuous evaluation. A basic knowledge of Excel spreadsheets is necessary to carry out some exercises and cases.

EVALUACIÓN

May Announcement

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1. Participation: 15% of the grade
2. Mid-term: 25% of the grade.
 1. Date: To be determined at the beginning of the semester (aprox first week of March)
 2. It will cover Topics 1-2-3
 1. Type of exam Test. Multiple Choice
 3. Problems. Multiple Choice
 4. FINAL EXAM: 60% Of the grade: **NOTE: to pass the subject student MUST get a minimum grade of 4,5 (out of 10) in the final** Date: To be determined at the beginning of the semester by the School
 5. It will cover Topics 1-2-3-4-5 regardless of the grade obtained in the midterm

June Announcement:

1. Midterm: 20% of the grade



Universidad de Navarra

1. FINAL EXAM: 80% Of the grade: **NOTE: to pass the subject student MUST get a minimum grade of 4,5 (out of 10) in the final** Date: To be determined at the beginning of the semester by the School
2. It will cover Topics 1-2-3-4-5
 1. Type of exam. Test. Multiple Choice
3. Problems

HORARIOS DE ATENCIÓN

D. Alvaro Banon

- Office 2300. Amigos Building. Floor 2
- Horario de tutoria:

BIBLIOGRAFÍA

Referencia principal:

- Brealey, Myers and Allen (2010), Principios de Finanzas Corporativas, McGraw Hill (Edición num. 9). [Localízalo en la Biblioteca](#)
- Diapositivas en Power Point y otros materiales que estarán disponibles en ADI.

Otras referencias:

- Brealey, Myers and Allen (2014), Principles of Corporate Finance, McGraw Hill (Ed. 11) [Localízalo en la Biblioteca](#)
- Grinblatt and Titman (2003), Mercados Financieros y Estrategia Empresarial, McGraw Hill (Edición num. 2). [Localízalo en la Biblioteca](#)
- Bodie, Kane, and Marcus (2004), Principios de Inversiones, McGraw-Hill (Edición num. 5). [Localízalo en la Biblioteca](#)
- Damodaran (2001), Corporate finance: Theory and Practice, John Wiley & Sons, Inc. [Localízalo en la Biblioteca](#)
- Ross, Westerfield, and Jaffe (1993), Corporate Finance, Irwin. [Localízalo en la Biblioteca](#) (ed. 1990)
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