



Module Specification

Equity, Bonds and Derivatives

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Part 1: Information

Module title: Equity, Bonds and Derivatives

Module code: UMACRJ-15-M

Level: Level 7

For implementation from: 2023-24

UWE credit rating: 15

ECTS credit rating: 7.5

Faculty: Faculty of Business & Law

Department: FBL Dept of Accounting Economics & Finance

Partner institutions: None

Delivery locations: Not in use for Modules

Field: Accounting and Finance

Module type: Module

Pre-requisites: None

Excluded combinations: None

Co-requisites: None

Continuing professional development: No

Professional, statutory or regulatory body requirements: None

Part 2: Description

Overview: Not applicable

Features: Not applicable

Educational aims: The aim of the module is to provide students with an overview of the valuation of various financial instruments, and an introduction to how they might be combined in portfolios.

The module reviews theoretical models of valuation and considers how they might be applied in a real world context including a discussion of securities markets and their organisation and functioning.

The module aims to introduce students critically to financial instruments and alternative investments available on the market.

Real-life, practical examples will be introduced to help engage the students in investment analysis decisions and stay updated with financial news.

In addition to the Learning Outcomes, the educational experience may explore, develop, and practise but not formally discretely assess the following:

Computer spreadsheet skills

Outline syllabus: The Investment Process: the time value of money, return calculations, risk, and the risk/return trade-off

Organization and Functioning of Securities Markets

Global Market Investment Decision: the different types of investment instruments and asset classes

Equity instruments and valuation

Fixed-Income instruments and Term structure of Interest rates

Fixed-Income Analysis and Valuation

Introduction to Derivative Markets and Securities

Markets and valuation of forwards and futures contracts

Options contracts and valuation: Binomial Model and Black-Scholes Model

Options Strategies and use of options for portfolio management

Swaps, convertibles and other embedded derivatives

Financial innovations and instruments: CDS, CDOs, ABS, CMOs

Part 3: Teaching and learning methods

Teaching and learning methods: The module comprises 3 hours teaching split into lectures, lectorials/workshops and tutorials each week.

The aim of the module is to provide students with an overview of the valuation of various financial instruments, and an introduction to how they might be combined in portfolios. The module reviews theoretical models of valuation and considers how they might be applied in a real world context. Real-life, practical examples will be introduced to help engage the students in investment analysis decisions.

Students will be encouraged to produce sensible valuations by selecting from competing instrument valuation techniques. Students will be confronted with a series of practical exercises which will not only enable them to build up a range of valuation and other analytical techniques, but will enable them to place investment decisions within their institutional context. Some workshop may take place in the trading room, depending on availability. Lecture notes and workshop questions will be available on Blackboard. To enhance the learning, students are expected to follow daily financial news.

Students will be actively encouraged to make themselves familiar with the library study skills web pages and in particular to read widely around the subject matter. Active use will be made of the Blackboard facilities.

Module Learning outcomes: On successful completion of this module students will achieve the following learning outcomes.

MO1 Evaluate the institutional context of investments.

MO2 Evaluate the main characteristics of equity, fixed-income and alternative investments.

MO3 Apply valuation techniques for equity and fixed-income securities

MO4 Evaluate the main characteristics of derivatives and their markets.

MO5 Apply valuation techniques for the pricing of derivatives

MO6 Critically evaluate financial innovations and instruments

Hours to be allocated: 150

Contact hours:

Independent study/self-guided study = 114 hours

Face-to-face learning = 36 hours

Total = 150

Reading list: The reading list for this module can be accessed at [readinglists.uwe.ac.uk](https://uwe.rl.talis.com/modules/umacrj-15-m.html) via the following link <https://uwe.rl.talis.com/modules/umacrj-15-m.html>

Part 4: Assessment

Assessment strategy: The module will be assessed by means of an unseen written exam (70%) and a written coursework assessment (30%). The coursework develops and assesses a range of learning outcomes but with particular emphasis on the transferable skills, while the examination emphasizes, in particular, the cognitive and subject specific skills.

Non-assessed formative feedback will be provided on in class group work activities and individual practical problems.

Assessment components:**Written Assignment (First Sit)**

Description: Individual assignment (2000 words)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested: MO1, MO6

Examination (First Sit)

Description: Written exam (2 hours within a 3 hour window)

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3, MO4, MO5, MO6

Examination (Resit)

Description: Written exam (2 hours within a 3 hour window)

Weighting: 70 %

Final assessment: Yes

Group work: No

Learning outcomes tested:

Written Assignment (Resit)

Description: Individual assignment (2000 words)

Weighting: 30 %

Final assessment: No

Group work: No

Learning outcomes tested:

Part 5: Contributes towards

This module contributes towards the following programmes of study:

Finance and Investment [Frenchay] MSc 2023-24