

Course unit code	BE 130
Course unit title	Investments

GENERAL INFORMATION				
Study program	Graduate study program: Business economics		Year	1.
Director of the course and assistant	Dean Sinković, Phd, MBA, Assistant Professor of Economics E-mail: dsinkov@unipu.hr			
Course status	X	Mandatory		Elective
Credits allocated and type of lectures				
		Winter semester	Summer semester	
ECTS students workload			7,5	7,5
Number of hours per semester			75	75

Course objectives, teaching and learning methods and learning outcomes

To develop insights regarding the concepts in investment theory from the perspective of portfolio manager rather than an individual investor. The goal is to provide students with a structure for thinking about investment theory and operations within investment community (banking, funds) in order to show how to address investment problems in a systematic manner.

Requirements, correspondence and correlativity

Requirements: Basic courses in Economics and Finance

Course content (list of topics)

- After passing this course students are qualified for understanding the following:
- **Investment Environment** (Real vs. Financial Investments/ Macroeconomic Investments and Economic Development/ Financial clients and market structures.)
- **Financial Markets and Instruments** (Money, Bond, Equity and Derivative Markets/ Understanding Stock/Bond market indexes/ Empirical Analysis on Security Returns).
- **The processes of Trading** (How/Where Securities are Traded/ Trading costs/ Short Sales/ Regulatory Issues)
- **Investment Institutions** (Types of Investment Companies/Mutual Funds and its Classifications/ Costs if Investing in Mutual Funds).
- **Interest Rates and Risk Premiums** (Determinants of the Level of Interest Rates/ Risk and Risk Premium/ Real vs. Nominal Risk)
- **Portfolio Theory** (Risk and Risk Aversion/ Portfolio Risk/ Capital Allocation Between Risky and Risk-Free Assets/ Optimal Risk Portfolio)
- **Capital Asset Pricing Model**
- **Single Index and Multifactor Models**
- **Fixed-Income Security Analysis** (Bond Prices and Yields/ Managing Bond Portfolios)
- **Equity Analysis** (Macroeconomic and Industry Analysis/ Equity Valuation Models/Financial Statement Analysis)
- **Derivatives** (Options, Futures and Other Derivatives)
- **The Theory of Active Portfolio Management** (Processes and Performance Evaluation)

Modes of instruction and acquiring knowledge (mark in bold)

Lectures	Seminars and workshops	Exercises	Individual tasks	Multimedia and internet
Distance learning	Counseling	Laboratory	Tutorial	Fieldwork

Student requirements**Assessment and evaluation of students (mark in bold)**

Attendance	Class participation	Seminar paper	Experimental work
Written exam	Oral exam	Essay	Research
Project	Continuous assessment	Report	Practical work

Assessment breakdown within the *European credit transfer system*

REQUIREMENTS	HOURS (estimation)	LEARNING OUTCOMES	SHARE IN ECTS	SHARE IN GRADE
Class attendance and participation	75		5%	5%
I. Mid-term	25		30%	30%
II. Mid-term	25		30%	30%
Project (Group or Individual)	20		25%	25%
Essay/Short seminar	5		10%	10%

According to the *Code of evaluation* the final grade is obtained as follows:

A = 90 – 100%	5 (excellent)
B = 80 – 89,9%	4 (very good)
C = 70 – 79,9%	3 (good)
D = 50 – 69,9%	2 (sufficient)

Bibliography**Mandatory bibliography**

Bodie, Kane, Marcus.: Investments, 6th Edition, Mc Graw-Hill (2005).

or

Jordan, Miller, Dolvin: Fundamentals of Investments, 6th Edition, McGraw-Hill (2011)

Additional bibliography

Moses E., Kare D., Thompson D II.: Cases in Investments, 2nd Edition, West Publishing (1989).

Additional information on the course