
Master in
“FINANCE & BANKING”



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COURSE SYLLABUS

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Advanced Corporate Finance (M&A)

- Shareholder value creation must be the main objective for managers not only in their daily activities but also when making medium and long-term decisions. Corporate Finance provides managers with tools that will allow them to enhance this value creation process. Managers should be able to identify the key value creation drivers in each business and build on them in order to accomplish their value creation objective. Advanced Corporate Finance will continue from Corporate Finance which is held in the first term. Advanced Corporate Finance will be focused on advanced investment valuation techniques and practical aspects that a manager or an investment banker will find in M&A transactions. Topics include Value Creation in Mergers; Choice of Payment Method; Valuation of Contingent Payments; Deal Protection; Merger Arbitrage; Defensive Tactics; Industry Consolidation Strategies and Leveraged Buyouts. Bidding Strategies and Takeover Tactics will be discussed, with students being given the opportunity to practice merger negotiations in a team exercise. The legal and regulatory framework for takeovers will also be covered, including issues such as filing requirements, fiduciary duties of the target Board of Directors and antitrust regulation. The course uses case analysis, providing ample opportunity for the students to practice the application of standard corporate valuation methods, as well as providing them with lectures from in house tutors and visiting speakers.



Basics in Macroeconomics

- The fundamental objective of this subject is to provide the necessary basis to reflect on the problems of the world's economy in its entirety. The principal macroeconomic variables will be identified in order to analyze the causes of economic growth and the financial and economic crisis. Focus will be lent to the roles of the Central Banks and the Commercial Banking Industry. Understanding the relationship between the currency, the interest rates, the production and price indices, as well as the effects of the monetary policies is fundamental in the comprehension of the current market economy. The focus of Basics in Macroeconomics is on the framework of the international economic environment. The aim is to give the students an in-depth understanding of the economic links between the countries and the impact of these links in the domestic economy.



Basics in Matlab

- During the last few years, the financial industry has changed substantially, becoming far more global and complex. As a result, the environment that financial firms face nowadays has become completely different from that of the past. This new environment applies the development and use of scientific tools to analyze financial data as fast as possible in order to make the right decision on time. MATLAB is an effective tool that makes this possible.



Corporate Finance

- The objective of this subject is to introduce the students to the foremost tools used to study Corporate Finance issues, such as Company Valuation, Investment Opportunities, Mergers & Acquisitions, Initial Public offerings and Optimal Capital Structures. Corporate



Finance is set in the context of developing, explaining and applying financial concepts and techniques to a broad range of contemporary management and business. Although Corporate Finance covers a wide range of corporate issues, the subject focus is on Valuation and Optimal Capital Structures. Other additional contents and financial matters will be discussed during “Advanced Corporate Finance”.



Corporate Governance and Business Ethics

- Corporate Governance is broadly viewed as the exercise of power over corporate businesses in order to increase the value provided to the stakeholders, as well as making those stakeholders accountable for acting responsibly with regards to the protection, generation and distribution of wealth invested in the firm. Special attention is given to the interaction of the corporation's Board, CEO and management, shareholders and other stakeholders. The role played by auditors will also be examined.

Conflicts of interest are a common ethical concern in professional activity. A conflict of interest is a situation in which a professional, such as a Lawyer, Scientist or Physician has a conflict of professional or personal interests. This conflict can make it difficult for them to fulfill their duties impartially. This subject addresses from a psychological perspective the consequences of conflicts of interests in the business world.

Much has been discussed in terms of whether firms should orient themselves toward a shareholder or stakeholder perspective. The link between Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP) must be explored as a complex phenomena as the relationship between these constructs appears to be bidirectional and simultaneous. As such, rather than isolate particular corporate behaviors, such as the stakeholder and slack resource theories, a simultaneous analysis seems to be more appropriate.



Corporate Law (elective subject)

- Today's business professionals are expected to have a functional knowledge of basic legal concepts and vocabulary so that they can communicate with clients, other business professionals and legal staff. This short course aims to introduce the students to the concepts and terminology associated with Corporate Law and the basic principles of Law Corporations. It also aims to improve the student's ability to read and understand business related legal documents and to converse with other business professionals and legal professionals regarding Corporate Law issues.

This elective subject is divided into three main parts: 1) Company formation, pre-incorporation transactions, piercing the corporate veil and financing corporations; 2) Management and control of the corporation; including the statutory scheme, shareholders, directors and management; 3) Organic changes and contests for control, including mergers & acquisitions, proxy fights and takeovers.



Derivatives

- The aim of this subject is to provide the students with the necessary concepts for the utilization of the most negotiated derivative instruments (forward, futures, options, warrants and swaps). In particular, the students will study the possibilities of speculation,



coverage and extraction of liquidity that these contracts allow, as well as the particularities of their negotiation, their valuation and the risks and problems that they carry. The students will analyse the possible strategies that can be carried out individually by means of its combination, evaluating its advantages and disadvantages. This subject enables students to critically analyse and evaluate various practical cases that will be proposed with the aim of being carrying out in a realistic environment, using the different strategies addressed throughout the subject.

The students will be enabled to answer the questions of the official examinations corresponding with the educational material provided during the course (Derivatives).

The subject is divided into two parts. The first part will present the theoretical - practical framework which will be complemented by a set of practical cases developed by an expert of the sector. The aim is to make known to the students the real situations they will face in their future careers.

ECB and the European Interbank Market (elective subject)

- The expansion and development of the European Union has ushered in a new approach to the study of the European Market. The main topics to be considered will be the Central Banks, Implementation and Management of Monetary Policy and the Response to the Liquidity Crisis.

The main focus of this subject covers three specific entities: 1) The Federal Reserve: This includes the Board of Governors and the Federal Reserve Banks, Operational framework of the Federal Reserve's monetary policy before the crisis and the new lending facilities of the Federal Reserve; 2) The European Central Bank: This includes the ECB and the Eurosystem, Implementation of monetary policy in the Eurozone, collaterals policy and the recent changes to the framework of operation of the ECB; 3) The Bank of England: This includes the structure and functions of the Bank of England, Operational framework of the Bank of England's monetary policy and recent changes to monetary policy procedures. This subject will provide the students with essential knowledge relating to the ECB and the European Interbank Market.

Equity and Fixed Income

- Fixed Income guarantees both the rate of the return and the amount of the payout, whereas Equities fluctuate, and as such cannot guarantee a specific return on the investment. Even though both are primary instruments, due to their specific characteristics it is common to differentiate between the concepts, tools and the models employed to approximate their value.

This subject provides a basic overview of Equity and Fixed Income from an analytical point of view. Additionally, it provides an introduction to the implementation of analytical models in Matlab, a numerical computing environment and programming language that allows easy matrix manipulation, plotting of functions and data and the implementation of algorithms. It allows the development of simple as well sophisticated models to analyze both kinds of securities.



Financial Emerging Markets

- Financial Emerging Markets provides a theoretical framework coupled with a “hands-on” approach relating to Emerging Markets Economies. We will offer a conceptual framework to analyze emerging markets from a multiple perspective. We will discuss several outstanding problems of Emerging Market Investment including Political Risk, Currency Risk, Debt Risk, Inflation Risk and the problem regarding the accumulation of International Reserves. Financial Emerging Markets also provide an environment in which to discuss and debate these issues. It is anticipated that after completing this subject, students will be able to evaluate why investors in the developed world seek to profit from investment opportunities in emerging countries and which are the best countries for investment. At this time, the students will understand why policymakers in developed and developing countries seek to understand this Emerging Market Process.



Financial Marketing

- Marketing is at the core of any operating business. It provides the managerial focus for interfacing with customers and is the source of intelligence concerning customers, competitors and the general environment. Managers must identify and measure consumer needs and wants, assess the competitive environment, select the most appropriate customer targets and then develop marketing programmes that satisfy consumer needs better than the competition.

This subject emphasizes the role of Marketing in creating value for customers, which in turn leads to value creation for other stakeholders in a firm (e.g. owners, shareholders, employees etc.). The main objectives of this subject are to improve the students' ability to: 1) Assess market opportunities by analyzing customers, competitors and the strengths and weaknesses of a company; 2) Design effective marketing strategies to maximize a company's chance of success in the markets in which they compete.



Financial Software (elective subject)

- Nowadays Computer Science plays a prominent role in any field of expertise, fostering the development of disciplines like no other technology has done before. The world of Finance is no stranger to this phenomenon, as in the past two decades it has been invaded by computer applications. As such, a basic understanding of the main concepts of Computer Science and Financial Software is an important tool for any student in Finance.

The aim of this subject is to introduce the fundamental topics regarding the main software categories used in the Financial World. It will not focus on specific concepts but will introduce general concepts about Databases, Programming and the Internet.



Information Reporting

- Information Reporting is used to provide useful financial information to investors, creditors and other users so that they are able to make relevant and well informed



decisions. In recent years a large amount of work has been done to improve this information by updating accounting standards. This continues to be the trend at the moment. This subject will examine certain aspects of the International Financial Reporting Standards rather than Local Accounting Systems.

This subject takes a global perspective on Information Reporting and highlights Accounting and Financial Terminology, Financial Ratio Analysis, Knowledge Assets, Intangibles, Consolidation and Auditing. It also examines the development of Accounting Standards, the implementation of these standards and how to interpret the output from these standards in real company situations.

International Capital Markets

- Today we live in a global marketplace. Managers in any corporate business should understand the pricing of financial instruments in the capital markets. Relationships are established between various financial markets (stocks, bonds, corporate bonds, exchange rates, commodities etc.).

This subject will examine the main investment concepts in the Fixed Income, Equity and Derivative Markets. This will include topics such as the term structure of interest rates in bond markets, how stocks and bonds "should" be priced and why those prices are sometimes not realized due to institutional factors or market frictions. The students will also study security portfolios in detail, focusing on the trade-off between risk and return. An extremely important final subject is "Pricing and Uses of Derivative Assets" which looks at futures and options and how they may be used to control Financial Risk in Corporations.

Leadership in the Banking Sector

- What makes a great leader? Even more basic, what is leadership? What can we learn through careful examination of the lives and practices of those individuals society generally labels "great" leaders? What traits, skills and behaviours do leaders like Margaret Thatcher, Orit Gadiesh, Bobby Knight, Ernest Shackleton and Michael Eisner share, and how applicable are these behaviors in a business setting?

These are questions great thinkers have tackled, often in surprising and non-intuitive ways. These questions are explored through current studies in Management and Leadership. The aim of this subject is to help students explore these issues and answer these questions.

Microfinance (elective subject)

- The aim of this elective subject is to offer the participants a new scope to Finance, midway between Retail Banking, Marketing and Corporate Social Responsibility. This new subject is designed to provide the students with a unique opportunity to explore a complex societal issue from a business perspective, with a focus on the bottom line (the creation of positive social and financial value). Specifically, the subject will examine Microfinance as a vehicle for sustainable poverty alleviation and economic development. Topics will include Microfinance Industry Structure, Risk and Growth, as well as looking at innovations among a rapidly increasing number of Microfinance Institutions (MFIs).

This subject in Microfinance will include a general structure for analyzing marketing problems and some specific quantitative tools. The subject highlights both theory and



practical applications. An extensive use of business cases presents the student with a challenging and real-life environment in which to apply and hone their decision-making skills.



Portfolio Management Theory

- This subject will focus on the application of financial theory to the issues and problems of investment management. Topics will include Portfolio Optimization and Asset Allocation, the Basics of Bond Pricing and Debt Portfolio Management, the Theory of Asset Pricing Models and their Implications for Investment, as well as Techniques for Evaluating Investment Management Performance. This subject will build upon the analytical skills developed in Financial Management. Prerequisites: Financial Management and a working knowledge of statistics.



Risk Management I

- Risk Management is a major component in the business of Finance & Banking. This subject will integrate Risk Recognition, Risk Assessment, Risk Development strategies and Mitigation of Risk using managerial resources. These strategies include transferring the risk to another party, avoiding the risk, reducing the negative effect of the risk and accepting some or all of the consequences of a particular risk.

In Ideal Risk Management a prioritization process is followed, whereby the risks with the greatest loss and the greatest probability of occurring are handled first and the risks with lower probability of occurrence and a lower loss are handled in descending order. In practice the process can be very difficult as balancing between risks with a high probability of occurrence but lower loss versus a risk with high loss but lower probability of occurrence can often be mishandled.

Risk Management also faces difficulties allocating resources. This is the idea of Opportunity Cost. Resources spent on Risk Management could have been spent on more profitable activities. Again, Ideal Risk Management minimizes spending while maximizing the reduction of the negative effects of risks.



Risk Management II (online)

- This subject focuses on the application of a variety of econometric techniques including Market Risk, Value-at-Risk (VaR), Historical Simulation (HS) and Extreme Value Theory (EVT). These techniques analyze and determine the aggregate risk of a financial portfolio and also make forecasts of the likely losses that would be incurred from a variety of risks. Such risks are typically grouped into Credit Risk, Liquidity Risk, Interest Rate Risk and Operational Risk Categories. At the end of the course the students will be able to build an abstract representation under some hypothesized condition of a financial decision making situation.



Trade and Investment in Banking

- Trade and Investment in Banking helps companies and investors with the issuing and purchasing of securities, the managing of financial assets, the trading of securities and provides them with financial advice. This subject is positioned to provide students with practical exposure to the art and science of trading. Thus, in addition to developing trading knowledge and skills, this subject will highlight the importance of selling/marketing the right product to the right client based on their goals and needs. The students will do this in practice by managing their own bank in a computer simulation model using real data.