

Liverpool John Moores University

Title: INVESTOR RESEARCH ANALYSIS
Status: Definitive
Code: **6520CP** (103605)
Version Start Date: 01-08-2013

Owning School/Faculty: Arts, Professional and Social Studies
Teaching School/Faculty: Dublin Business School

Team	Leader
Alistair Beere	Y

Academic Level: FHEQ6
Credit Value: 24.00
Total Delivered Hours: 77.00
Total Learning Hours: 240
Private Study: 163

Delivery Options

Course typically offered: Standard Year Long

Component	Contact Hours
Lecture	50.000
Tutorial	25.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Essay	AS1	Continuous Assessment	40.0	
Exam	AS2	Examination	60.0	2.00

Aims

To develop in learners a knowledge and understanding of the mechanisms of security markets.

To familiarise learners with current and potential future developments in security regulation on both national and international levels.

To equip learners to use research methodologies to calculate, evaluate and present financial information.

To equip learners with the ability to identify and evaluate factors which affect the

performance of securities.

To enable learners to examine different client segments for wealth management analysis and evaluate each of their differing financial needs.

To develop in learners knowledge of the wide ranging features of a typical wealth management division including investment services, brokerage and financial planning as well as international and private banking.

Learning Outcomes

After completing the module the student should be able to:

- 1 Critically evaluate the different types of securities and financial instruments.
- 2 Use detailed analytical skills essential to appraising each type of financial security
- 3 Assess European and US security market regulations
- 4 Segmentally analyse the market for wealth management products to advice clients.
- 5 Recommend financial investment strategies with reference to empirical evidence

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

ESSAY	1	2	3	4	5
EXAM	1	2	3	4	5

Outline Syllabus

1. Securities Markets The role of the major securities markets and the detailed operation of the bond, equity, derivatives and currency markets. The range of security market products and services offered by financial institutions.

2. Securities Regulation Review The major body of law that governs the securities industry in Europe and the US. Comprehend the laws governing registration of securities, corporate reporting, investment companies and investment advisors. Regulation on investment limits and types of investments permitted in funds.

3. Risk and Return Utility theory, indifference curves, certainty equivalents, risk/reward trade-off and the concept of risk aversion. Portfolio theory; measuring expected risk and return for a single asset and portfolio of assets. Efficient frontier. Benefits of diversification. Optimal portfolio choice with risky assets and the risk free rate of interest. Capital market line. Risk; probabilities, decision trees, simulation models and sensitivity analysis.

4. Asset Pricing Capital Asset Pricing Model and Arbitrage Pricing Theory. Efficiency of the market portfolio. Beta, systematic and unsystematic risk. Capital market line and security market line. Practical problems with CAPM. Empirical review. Emerging theories on asset pricing.

5. Investment Analysis of Bond Markets Critical factors affecting bond prices and yield curves. Term structure of interest rates. The relationship between coupon rates and pricing of bonds, convertible prices, credit sensitiveness, accrued interest, redemption yields, credit spreads, call dates and new issues and managing portfolios. Investment Analysis of Bond markets. Duration and convexity.

6. *Efficient Capital Market and Business Valuations* Role of the major securities markets. Efficient market hypothesis and categories of efficiency. Value of an efficient market. Fundamental analysis, financial analysis, technical analysis. Random walk theory. Empirical review. Valuation models for businesses. The efficient market hypothesis and its application to business valuations.
7. *Investment Analysis of Equity Markets* Critical factors affecting stock prices, fundamental analysis and an in-depth analysis and application of investment ratios. The application of technical analysis in the equity markets, identifying sources of research. Implications of efficient market theory and types of share price movements. Analysing different market trends, market psychology, share dealing and the operation of equity fund management.
8. *Financial Statement Analysis* Review of analysis and interpretation of a firm's financial statements. Equity valuation and the distortions that may occur in published financial statements.
9. *Equity Valuation: Mergers and Acquisitions* Framework for equity investment appraisal in the context of mergers and acquisitions. Quantitative perspective and review of recent empirical evidence.
10. *Client Identification and Analysis* Perform a segmental analysis of the market for wealth management products, both private and institutional within a chosen financial market. Examine and assess the requirements of clients and assess the importance of the protection of wealth through succession planning, tax planning and trusts.
11. *Analysis and Relationship Management* Perform a structured fact find to establish a client's needs followed by developing and presenting suitable recommendations. Differentiate and analyse the product components of investment services, brokerage, financial planning and international and private banking. Analyse the different types of investment services offered and evaluate the characteristics and purpose of alternative investment products.
12. *Principles of Tax Planning* Evaluate the types and forms of taxation applicable to wealth management. Analyse the various types of tax applicable specifically within Ireland. Examine the various methods of minimising tax within Ireland. Discuss the tax considerations for non-Irish domiciles living in Ireland and the tax considerations for non-nationals.

Learning Activities

Lectures and tutorials.

References

Course Material	Book
Author	Hirt, G. & Block, S.
Publishing Year	2011
Title	Fundamentals of Investment Management
Subtitle	
Edition	10th
Publisher	McGraw Hill
ISBN	

Course Material	Book
Author	Bodie, Z., Kane, A. & Marcus, A.
Publishing Year	2010
Title	Essentials of Investment
Subtitle	
Edition	8th
Publisher	McGraw Hill
ISBN	

Course Material	Book
Author	Ross, S. Westerfield, R. & Jordan, B.
Publishing Year	2011
Title	Fundamentals of Corporate Finance
Subtitle	
Edition	
Publisher	McGraw Hill
ISBN	

Course Material	Book
Author	Institute of Taxation
Publishing Year	2012
Title	Taxbook 2012
Subtitle	
Edition	
Publisher	Institute of Taxation
ISBN	

Course Material	Book
Author	Chartered accountants Ireland
Publishing Year	2012
Title	Corporate and Individual Tax planning
Subtitle	
Edition	
Publisher	Chartered accountants Ireland
ISBN	

Notes

This module addresses the investment appraisal and analysis of the securities markets. Learners will develop knowledge of the theoretical framework of the securities markets. They will develop their practical understanding of financial analysis and the quantitative tools necessary to perform detailed analysis. The module also requires learners to analyse the specific services offered by a wealth management division and the complex financial planning required for such clients.