FUC - Ficha de Unidade Curricular
Curricular Unit's File

Code	L0646
Name (PT)	Investimentos
Name (EN)	Investments
Regime	Semestral
Level	1.º Ciclo
Teaching language	Português , Inglês
School	Escola de Gestão (EG)
Departament	DF
Scientific area	Finanças (Fin)
Responsible academic staff	João Pedro Vidal Nunes
Pre-requisites	None
Objectives	The students, at the end of the present learning unit, must develop competences that allow them to understand the trading, valuation and risk management mechanisms for the bond market; to manage and characterize the interest rate risk exposure of a portfolio; to analyse the efficiency, and the performance of a portfolio allocation; to identify the main sources of value for a stock.
Learning outcomes	1. Understand the trading, valuation and risk management mechanisms for the bond market: a. Estimate and interpret an yield curve; b. Read and interpret the technical details of a bond issue; c. Value and formulate a trading decision for bond; d. Compute the rate of return of an investment in the bond market; e. Manage and characterize the interest rate risk exposure of a portfolio. 2. Analyse the efficiency, performance, and risk profile of a portfolio allocation. 3. Identify the main sources of value for a stock.
Syllabus	I. FINANCIAL MARKETS 1. Money-Market and FOREX 2. Stock Market 3. Bond Market 4. Financial Derivatives 5. Initial Public Offers and Short Selling Operations 6. Characterization and functionalities of Exchanges markets II. BOND MARKET 1. Bond Features 2. Term Structure of Interest Rates 3. Fair Value and Trading Rules 4. Rates of Return 5. Rating and Credit Risk 6. Interest rate risk: Duration and Convexity III. ASSET PRICING MODELS 1. Return and risk 2. Markowitz model 3. Tobin model 4. Capital Asset Pricing Model (CAPM) 5. Performance analysis and evaluation: Alpha, Treynor and Sharpe indices IV. STOCK MARKET 1. Market main features 2. Stock valuation through the Discounted Dividend Model 3. Stock valuation through Market Multiples: PER and MBV
Assessment	Regular grading system: - Two mid-term tests (45% each) - Individual homework, attendance and active participation (10%) Students that fail in the regular grading system have two additional moments to pass: first and second exams, each worth 100% of the final grade. The pass grade is 9.5 points. Students can try to improve their grade only in the second exam.

Teaching methodology	Each student should acquire analytical, information gathering, written and oral communication skills. For this purpose, the following learning methodologies (LM) will be used: 1. Expositional, to the presentation of the theoretical issues 2. Participative, with analysis and resolution of exercises 3. Active, with the realization of individual and group works 4. Self-study, related with autonomous work by the student.
Demonstration of the syllabus coherence with the curricular unit's objectives	This "demonstration of consistency" stems from the interconnection of the syllabus with the learning goals (LG) and is explained as follows: LG1: I. FINANCIAL MARKETS; II. BONDS LG2: III. ASSET PRICING MODELS LG3: IV. STOCKS AND RIGHTS ISSUES
Demonstration of the coherence between the teaching methodologies and the learning outcomes	Learning-Teaching Methodologies (LTM) Learning Goal (LG) 1. Expositional, to the presentation of the theoretical reference frames LG1, LG2 and LG3 2. Participative, with analysis and resolution of application exercises LG1, LG2 and LG3 3. Active, with the realization of individual and group works LG1, LG2 and LG3 4. Self-study, related with autonomous work by the student, as is contemplated in the Class Planning. LG1, LG2 and LG3
Main Bibliography	
Complementary Bibliography	