



GRADUATE SCHOOL

GM1033 Investments, 7.5 credits

Investeringar och marknader, 7,5 högskolepoäng

Second Cycle

Confirmation

This course syllabus was confirmed by Graduate School on 2021-09-27 to be valid from 2022-01-17, spring semester of 2022.

Field of education: Social Sciences 100%

Department: Graduate School

Position in the educational system

The course Investments, is a course within the Master of Science programmes at the Graduate School, School of Business, Economics and Law, University of Gothenburg.

Main field of studies

Finance

Specialization

A1F, Second cycle, has second-cycle course/s as entry requirements

Entry requirements

To be eligible for the course Investments the participant must fulfil the entrance qualifications for the Master of Science programme in Economics or the Master of Science programme in Finance. For programme specific entrance requirements, see programme syllabus.

Participants must have been registered on the courses Mathematics, Advanced Microeconomic Theory and Graduate Econometrics during the first term of the Master of Science programme in Economics or Finance.

Learning outcomes

On successful completion of the course, the student will be able to:

1. show understanding of how individual state/preference investors form their optimal portfolios
2. show understanding of how individual decisions lead to models for market equilibrium asset prices
3. analyze the effects that asymmetries (differences in investors' situation and informational differences) have on investor choices and market equilibrium.

Course content

This course covers different aspects of financial decision-making under uncertainty and focuses on the link between Asset Pricing and Portfolio Choice. The focus in this course is on finite dimensional state/preference models, which enables a simultaneous analysis of both asset pricing and portfolio choice. It introduces the following fundamental concepts:

- Uncertainty and state/preferences, savings vs. consumption, and risk-aversion.
- Supply and demand, equilibrium, the capital asset pricing model, pricing kernels.
- Market incompleteness, investor asymmetry, investment advice.

Form of teaching

Lectures and assignments.

Language of instruction: English

Assessment

Learning outcomes 1-3 are assessed through assignments and a written exam.

Individual assignments and exams shall be written individually, cooperation in formulating text, tables, figures etc. is not allowed.

A student who has taken two exams in a course or part of a course without obtaining a pass grade is entitled to the nomination of another examiner. The student needs to contact the department for a new examiner, preferably in writing, and this should be approved by the department unless there are special reasons to the contrary (Chapter 6 Section 22 of the Higher Education Ordinance).

If a student has received a recommendation from the University of Gothenburg for special educational support, where it is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, the examiner may decide to allow the student to sit an adjusted exam or alternative form of assessment.

In the event that a course has ceased or undergone major changes, students are to be guaranteed at least three examination sessions (including the ordinary examination

session) over a period of at least one year, but no more than two years, after the course has ceased/been changed.

The number of examinations is limited to five.

Grades

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

Pass is required on all examination forms. The grade (A-E) corresponds to the total score a student obtains on the assignments (35 % of final grade) and the written exam (65 % of final grade). To receive a pass grade (A-E) $\geq 50\%$ points is required. The scale is tied to fixed score intervals:

A: 85-100%

B: 75-84%

C: 68-74%

D: 60-67%

E: 50-59%

F: $<50\%$

Course evaluation

The course will be evaluated upon completion. The results of and possible changes to the course will be shared with students who participated in the evaluation and students who are starting the course.