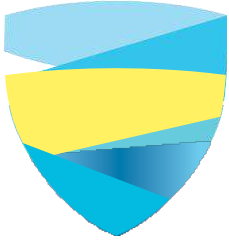


Open University
of Mauritius



Open University of Mauritius

MSc Financial Analysis

WILEY

1. Introduction

Importance and Relevance of the Course

The Master in Financial Analysis will enable candidates to prepare for the Chartered Financial Analyst (CFA) examinations, level 1 and 2. This two year programme is developed in collaboration with John Wiley & Sons, Inc and it will be set across four semesters. The programme curriculum will allow students to obtain both a recognized Master degree and the relevant training material for the CFA exam. It also ensures that you are ideally placed to swiftly go on to obtain the globally renowned CFA designation. This programme is optimally designed to provide you with the in-demand industry knowledge and hands-on practice that will help you become a world-class financial professional.

2. Aim of the Course

The aim of this program is to enable learners, whether you are new to the corporate finance world or a professional, to acquire a skill set that will be invaluable for those looking forward to a rewarding career with great promotional prospects or master new skills in the financial valuation sector. On completing the programme, graduates should also be capable of understanding and applying a wide variety of analytical techniques for finance and have the ability to understand some of the models and mathematical techniques used in financial markets, understand the world of investments, traditional and alternative asset classes, corporate finance and portfolio management.

3. Why study at Open University of Mauritius

The Open University of Mauritius (OU) provides the flexibility that learners are looking for. It offers courses on blended open and distance learning mode as well as full-time learning mode. Thus, everyone can earn a qualification while working; learners may also wish to work part-time and study part-time; and others, including, school-leavers can study full-time at any of our campuses in Mauritius.

Those wishing to learn through the blended open and distance learning mode benefit from leading and comprehensive manuals, supported by innovative study materials and videos, in order to allow them to get an exceptional learning experience in their own time, at home, or wherever they choose – reading, watching or listening to materials supplied, working out course activities and assignments with regular support from the tutor who is always an email away. Tutorials are also organised at our campuses or through the virtual classroom. Although the tutorials are mostly optional, they give a chance to interact with the tutors and fellow learners.

OU has been set up by an Act of Parliament. OU is a member of the International Council for Open and

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4. Entry Requirements

Candidates must hold a Bachelor's degree with at least a second grade from a recognised university or alternative qualifications, including professional qualifications, acceptable to the Open University of Mauritius. Candidates must have a good mastery of the English language.

Exemptions will be considered for students who have completed both the CFA level 1 and 2.

5. Mode of Learning

This Course is offered on the Blended Open Distance Learning mode.

6. Programme Duration

Programme	Minimum Duration	Maximum Duration
MSc Financial Analysis	2 Years	4 Years

7. Minimum Credits Required for the Awards

Masters Degree	42 Credits
Postgraduate Diploma	30 Credits
Postgraduate Certificate	16 Credits

Each credit in the University's system requires a minimum of 20 hours of study including all learning activities (i.e. reading and comprehending the print material, attending tutorials/counselling sessions, writing of assignment and preparation for the examinations). Thus, a course granting 3 credits requires 60 hours of study.

8. Assessment

Each module carries 100 marks and will be assessed as follows (unless otherwise specified):
Assessment will be based on a written examination of three hours' duration which would account for 70% of the final module grade and continuous assessment would account for 30% of the final module grade. Continuous assessment will be assignment based. For a learner to achieve a passmark, an overall total of 40% for combined continuous assessment and written examination components would be required without minimum thresholds within the individual continuous assessment and written examination.

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Written examinations for all modules, taught in all semesters, will be carried out at the end of each semester (unless otherwise stated). Examination questions can be in the form of multiple choice questions, open ended questions, case studies or any relevant format. Students are encouraged to use financial calculators that are recommended by the CFA institute. Students should complete year 1 before enrolling for year 2.

9. Grading

Percentage Range	Description	Grade	Grade Point
$70\% \leq x \leq 100\%$	Excellent	A	5
$60\% \leq x < 70\%$	Very Good	B	4
$50\% \leq x < 60\%$	Good	C	3
$40\% \leq x < 50\%$	Satisfactory	D	2
$0\% \leq x < 40\%$	Ungraded	U	0

10. Award

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Distinction	$CPA \geq 70$
Merit	$60 \leq CPA < 70$
Pass	$40 \leq CPA < 60$

If $CPA < 40$ learners will have to repeat the entire academic year and then re take the modules as and when offered. However, when repeating the year, learners may opt not to take those modules for which Grade C or above have been obtained. Learners are allowed to repeat a maximum of two times throughout the entire duration of the course. No award is made if $CPA < 40$.



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Delivering the MSc Financial Analysis with Wiley assets

The MSc Financial Analysis would be the optimal programme designed to enable students to gain a Masters degree from OU and be ideally placed to complete and pass the first two levels of the CFA exams immediately or soon after graduation.

Wiley student study materials (include)

- **Virtual Classes** - weekly interactive online classes with renowned global instructors
- **Lecture Videos, bite-sized** lessons to reinforce key topics covered in class
- **Professional Online Mentoring**, allowing students and faculty to post CFA exam related questions and receive a response within 24-48 hours at the latest
- **Study guides** with exam tips, covering and tracking every Learning Outcome Statements (LOS)
- **Test Bank and Practice Questions** which students can use independently or faculty can set as homework

- **Formula Sheets** consolidate formulae required for success on the exam
All materials and solutions will be online / digital in line with the ethos of OU

Exclusively priced supplements

Wiley Finance and CFA Investment Series publications

- Students at OU will be offered a 50% discount on selected titles
- These titles are aligned to the CFA® curriculum

Revision courseware for CFA exam

Whilst the MSc Financial Analysis is designed to ensure students are in a position to pass the CFA® exams (Level I and Level II), many students may gain extra comfort from additional review orientated tools offered by Wiley.

Wiley's 11th Hour course includes:

- **Lecture videos**, 40 hours of exam review delivered by expert instructors
- 11th Hour **Study Guide**
- Additional full-length online **Mock Exam**
- Mock Exam **Seminar** providing model answers
- Exam Planner to help you stay on track

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Syllabus outline – Y1

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars (depending on OU)	TOTAL	TOTAL
OUpm014111	Ethics and Professional Standards	17	3		20	1.0
OUpm014112	Financial Reporting and Analysis I	17	3		30	1.5
OUpm014113	Financial Reporting and Analysis II	17	3		20	1.0
OUpm014114	Quantitative Analysis	27	3		40	2.0
OUpm014115	Economics I	27	3		30	1.5
OUpm014116	Corporate Finance	24	6		40	2.0
SEMESTER 1		129	21	30	180	9
OUpm014121	Financial Reporting and Analysis III	24	6		30	1.5
OUpm014122	Fixed Income	27	3		40	2.0
OUpm014123	Derivatives/Alternative Investments	27	3		40	2.0
OUpm014124	Economics II	27	3		30	1.5
OUpm014125	Equity Analysis/Portfolio Management	24	6		40	2.0
SEMESTER 2		129	21	30	180	9
Y1 TOTAL					360	18

Note: (1.) Self-Study Hours include reading and comprehending the print material, listening and watching video, writing assignment responses/practice questions and preparation for the examinations (2.) VC Hours - 14+ weekly online Virtual Classrooms provided by Wiley instructors (3.) Each credit is equivalent of 20 study hours

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Syllabus outline – Y2

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars (depending on OU)	TOTAL	TOTAL
OUpm014211	Ethics and Professional Standards	17	3		40	2.0
OUpm014212	Financial Reporting and Analysis I	24	6		40	2.0
OUpm014213	Equity Valuation	24	6		40	2.0
OUpm014214	Quantitative Analysis	17	3		40	2.0
OUpm014215	Economics I	17	3		40	2.0
OUpm014216	Corporate Finance	24	6		40	2.0
SEMESTER 3		123	27	30	240	12
OUpm014221	Financial Reporting and Analysis II	17	3		40	2.0
OUpm014222	Fixed Income	27	3		40	2.0
OUpm014223	Alternative Investments	17	3		40	2.0
OUpm014224	Derivative Investments	24	6		40	2.0
OUpm014225	Equity Valuation	27	3		40	2.0
OUpm014226	Portfolio Management	17	3		40	2.0
SEMESTER 4		129	21	30	240	12
Y2 TOTAL					480	24
TOTAL STUDY					840	42
TOTAL CREDITS						42

Note: (1.) Self-Study Hours include reading and comprehending the print material, listening and watching video, writing assignment responses/practice questions and preparation for the examinations (2.) VC Hours - 14+ weekly online Virtual Classrooms provided by Wiley instructors (3.) Each credit is equivalent of 20 study hours

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Program coverage

This 2 year academic course as outlined in pages 7-8 split by subject with associated readings directly linked to the CFA Institute Learning Outcome Statements and individual topics. The CFA Institute readings, with associated weightings, are summarised below:

The coverage of subject areas on the Level I CFA exam is seen below:

Course	Exam Weight	Course	Exam Weight
Ethical and Professional Standards	15%	Quantitative Methods	12%
Economics	10%	Financial Reporting and Analysis	20%
Corporate Finance	7%	Portfolio Management	7%
Equity Investments	10%	Fixed Income	10%
Derivatives	5%	Alternative Investments	4%

Subject areas on the Level II CFA Exam:

Course	Exam Weight	Course	Exam Weight
Ethical and Professional Standards	10-15%	Quantitative Methods	5-10%
Economics	5-10%	Financial Reporting and Analysis	15-20%
Corporate Finance	5-15%	Portfolio Management	5-10%
Equity Investments	15-25%	Fixed Income	10-20%
Derivatives	5-15%	Alternative Investments	5-10%

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Learning Outcomes by Topic

Year 1 - Semester 1

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars	TOTAL	TOTAL
OUpm014111	Ethics & Professional Standards	17	3		20	1.0
OUpm014112	Financial Reporting and Analysis I	17	3		30	1.5
OUpm014113	Financial Reporting and Analysis II	17	3		20	1.0
OUpm014114	Quantitative Analysis	27	3		40	2.0
OUpm014115	Economics I	27	3		30	1.5
OUpm014116	Corporate Finance	24	6		40	2.0
SEMESTER 1		129	21	30	180	9.0

Ethics and Professional Standards [OUpm014111]

In this class, the student will learn the overall framework for the CFA Code of Ethics and Professional conduct as outlined by the CFA Institute. It will be presented to give the student the information and the knowledge to pass the Ethics portion of the Level I CFA exam. The Code of Ethics will be explained and lay the foundation for the 7 tenets of the standards of professional conduct, including; 1) Professionalism 2) Integrity of Capital Markets, 3) Duties to Clients 4) Duties to Employers 5) Investment Analysis, Recommendations and Actions 6) Conflicts of Interest and 7) Responsibilities as a CFA Institute Member or CFA Candidate. In addition, it will apply the learnings to examples. Lastly, it will introduce students to Global Investment Performance Standards. This course will cover the first 4 LOS's in the CFA Level I curriculum, related to the following readings.

Unit Topics
Reading 1: Code of Ethics and Standards of Professional Conduct
Reading 2: Guidance for Standards I-VII
Reading 3: Introduction to the Global Investment Performance Standards (GIPS)
Reading 4: The GIPS Standards

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Financial Reporting and Analysis I [OUpm014112]

This course provides the student with an introduction to financial statement analysis which forms the foundation of financial reporting and analysis. It will focus on building the students understanding of the reporting mechanics of financial reporting. This will include the accounting process, the accounting equation and the details of accrual accounting, valuation adjustments and how this information is to be utilized in security analysis. It will explore concepts of financial reporting quality and require students to be able to evaluate and project future performance in the context of equity investing.

Unit Topics
Reading 22: Financial Statement Analysis: An Introduction
Reading 23: Financial Reporting Metrics
Reading 24: Financial Reporting Standards
Reading 33: Financial Reporting Quality
Reading 34: Financial Statement Analysis: Applications

NOTE: This course forms the basis for the largest portion of the CFA material. It is a required pre-requisite for FRA II and FRA III. Having either an online course, a pre-requisite waiver (i.e.-accounting undergrad, CPA, etc.) or providing an on-campus summer course in an intensive format prior to the start of the full-time program.

Financial Reporting and Analysis II [OUpm014113]

This course provides an understanding of three of the major financial statements (Income Statement, Balance Sheet and Statement of Cash Flows) along with the basis of financial analysis techniques. The student will be exposed to revenue and expense recognition items on the income statement and will understand recurring and non-recurring items as well as EPS. In addition, the components of the balance sheet will be analyzed from current to non-current assets and liabilities as well as equity. The students will utilize their understanding of the I/S and B/S and apply this to the SCF, with the construction and classification of cash flows. This will be followed by the analysis and understanding of these cash flows. Lastly, the student will understand the financial analyst process, analytical tools, and the meaning of equity and credit analysis.

Unit Topics
Reading 25: Understanding the Income Statement
Reading 26: Understanding Balance Sheets
Reading 27: Understanding Cash Flows
Reading 28: Financial Analysis Techniques

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Quantitative Analysis [OUpm014114]

The student will be introduced to statics and market returns. They will be required to accumulate data and use this information to evaluate various questions. The student will be able to utilize the various tools presented to estimate probabilities and apply statistics to managerial problems, while understanding the limitations of the various statistical tools. Additional applications will be provided for modeling, decision analysis, simulations, continuous distributions, confidence intervals and regression analysis.

Unit Topics
Reading 7: Statistical Concepts and Market Returns
Reading 8: Probability Concepts
Reading 9: Common Probability Distributions
Reading 10: Sampling and Estimation
Reading 11: Hypothesis Testing
Reading 12: Technical Analysis

Economics I [OUpm014115]

This course will highlight the micro economic environment relative to the individual and the firm. This course will explore theories covering individual behavior, including supply and demand principles, pricing the relevant graphical representations of these behaviors as well as demand elasticity. The student will also be required to understand utility as it relates to individuals and firms, market structures and the resulting forces, such as competition that effect thinking within the concept of micro economics.

Unit Topics
Reading 13: Demand and Supply Analysis-Introduction
Reading 14: Demand and Supply Analysis-Consumer Demand
Reading 15: Demand and Supply Analysis-The Firm
Reading 16: The Firm and Market Structure

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Corporate Finance [OUpm014116]

Students will learn and apply the basic principles relative to time value of money and discounted cash flows. These concepts will then be utilized within corporate finance for capital budgeting methods. An analysis of the firm's objective and its valuation, relative to its capital structure will be explored as well as the creation of business and financial risk through leverage. The measurement and subsequent management of working capital will be evaluated for the firm. Lastly, the student will understand the definition of corporate governance, its importance and the critical aspects that are used to ensure it is operating appropriately.

Unit Topics
Reading 5: Time Value of Money
Reading 6: Discounted Cash Flow Applications
Reading 35: Capital Budgeting
Reading 36: Cost of Capital
Reading 37: Measures of Leverage
Reading 38: Dividends and Share Repurchase: Basics
Reading 39: Working Capital Management
Reading 40: The Corporate Governance of Listed Companies

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Learning Outcomes by Topic

Year 1 - Semester 2

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars	TOTAL	TOTAL
OUpm014121	Financial Reporting and Analysis III	24	6		30	1.5
OUpm014122	Fixed Income	27	3		40	2.0
OUpm014123	Derivatives/Alternative Investments	27	3		40	2.0
OUpm014124	Economics II	27	3		30	1.5
OUpm014125	Equity Analysis/Portfolio Management	24	6		40	2.0
SEMESTER 2		129	21	30	180	9

Financial Reporting and Analysis III [OUpm014121]

Students will dive deeper into key areas surrounding asset valuations, acquisition and disposal relative to GAAP. Inventory valuation methods (LIFO, FIFO, etc), long-lived asset acquisition and depreciation/amortization will be presented. The student will understand the impact each has on the financial statements. Income taxes will be analyzed, including the difference in accounting for tax and GAAP. Non-current liabilities, including bonds and leases will be explored and evaluated relative to insolvency.

Unit Topics
Reading 29: Inventories
Reading 30: Long-Lived Assets
Reading 31: Income Taxes
Reading 32: Non-Current (Long-Term) Liabilities

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Fixed Income [OUpm014122]

This course explores the investment characteristics, pricing, risk/reward of fixed income securities. The course will outline the defining elements of a fixed income investment and the various factions within the market, including issuance trading and funding. Valuation concepts will be presented and applied. The securitization process for asset backed securities will be discussed and the resulting securities will be evaluated, including mortgage backed securities, non-mortgage backed securities and collateralized debt obligations. Understanding the risk and credit analysis of various fixed income investments and their characteristics will be presented and how it plays its role in a diversified portfolio.

Unit Topics
Reading 51: Fixed Income Securities: Defining Elements
Reading 52: Fixed Income Markets: Issuance, Trading and Funding
Reading 53: Introduction to Fixed Income Valuation
Reading 54: Introduction to Asset Backed Securities
Reading 55: Understanding Fixed Income Risk and Return
Reading 56: Fundamentals of Credit Analysis

Derivatives/Alternative Investments [OUpm014123]

This course will explain the various derivative and alternative investments and their markets. The student will understand the various investments, and the purpose/benefits for utilizing these investments. It will primarily focus on the risk, pricing and valuations utilized for derivatives (primarily options and futures) and the various alternative investments (Hedge Funds, Private Equity, Real Estate and Commodities) and their strategies. It will give the student a solid foundation to understand the risk of the investment and analyze its return in regards to the forces that effect their value in the market.

Unit Topics
Reading 57: Derivative Markets and Instruments
Reading 58: Basics of Derivative Pricing and Valuation
Reading 59: Risk Management Applications of Options Strategies
Reading 60: Introduction to Alternative Investments

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Economics II [OUpm014124]

Economics II will focus on the macro economic environment as well as economics in a global context, ending in a discussion on foreign currency. Aggregate economic relationships will be presented including general price level, income, output, employment and wages. An understanding of the business cycles and the relevant theories and indicators will be explored. Government intervention in the form of monetary and fiscal policy will be analyzed and evaluated. Lastly, international trade and capital flows will be discussed ending in the analysis of currency exchange rates and markets.

Unit Topics
Reading 17: Aggregate Output, Prices and Economic Growth
Reading 18: Understanding Business Cycles
Reading 18: Monetary and Fiscal Policy
Reading 20: International Trade and Capital Flows
Reading 21: Currency Exchange Rates

Equity Analysis/Portfolio Management [OUpm014125]

This course will provide an overview of market organization and structure. It will explain the various indices and forms of market efficiency. In addition, it will require students to utilize the tools they will learn to value equity investments. It will then introduce the concept of portfolio management as it relates to investors. The student will understand the various investment characteristics, risk aversion, portfolio risk and the investor's optimal portfolio based on an efficient frontier. Various theories will be introduced that include the Capital Market Theory and CAPM model. Finally, portfolio planning and construction will be applied by the students utilizing the concepts learned.

Unit Topics
Reading 45: Market Organization and Structure
Reading 46: Security Market Indices
Reading 47: Market Efficiency
Reading 48: Overview of Equity Securities
Reading 49: Introduction to Industry and Company Analysis
Reading 50: Equity Evaluation: Concepts and Basic Tools
Reading 41: Portfolio Management: An Overview
Reading 42: Portfolio Risk and Return: Part 1
Reading 43: Portfolio Risk and Return: Part 2
Reading 44: Basics of Portfolio Planning and Construction

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Learning Outcomes by Topic

Year 2 - Semester 3

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars	TOTAL	TOTAL
OUpm014211	Ethics and Professional	17	3		40	2.0
OUpm014212	Financial Reporting and Analysis	24	6		40	2.0
OUpm014213	Equity Valuation	24	6		40	2.0
OUpm014214	Quantitative Analysis	17	3		40	2.0
OUpm014215	Economics I	17	3		40	2.0
OUpm014216	Corporate Finance	24	6		40	2.0
SEMESTER 3		123	27	30	240	12

Ethics and Professional Standards [OUpm014211]

In this class, the student will learn the overall framework for the CFA Code of Ethics and Professional conduct as outlined by the CFA Institute. It will be presented to give the student the information and the knowledge to pass the Ethics portion of the Level II CFA exam. The Code of Ethics will be explained and lay the foundation for the 7 tenets of the standards of professional conduct, including; 1) Professionalism 2) Integrity of Capital Markets, 3) Duties to Clients 4) Duties to Employers 5) Investment Analysis, Recommendations and Actions 6) Conflicts of Interest and 7) Responsibilities as a CFA Institute Member or CFA Candidate. In addition, it will apply the learnings to examples, including trade allocation fair dealings and disclosures, as well as how to deal with changes in investment objectives. This course will cover the first 8 LOS's in the CFAI Level II curriculum, related to the following readings.

Unit Topics
Reading 1: Code of Ethics and Standards of Professional Conduct
Reading 2: Guidance for Standards I-VII
Reading 3: CFA Institute Research Objectivity Standards
Reading 4: The Glenarm Company
Reading 5: Preston Partners
Reading 6: Super Selection
Reading 7: Trade Allocation: Fair Dealing and Disclosure
Reading 8: Changing Investment Objectives

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Financial Reporting and Analysis I [OUpm014212]

In this course, students will gain insight into how choices in accounting methods effect the financial statements and ratios used to analyze them. The course will dive into the various methods used to recognize inventory values and how the flow of product costs effect the financial statements each year. A comparison will be done of the various methods and explain how changing environments produce different results. In addition, the student will learn the difference between capitalization and expensing costs and depreciation. The course will also explore the quality of financial reports. The importance in understanding what entails “quality”, how that effects the analysis and reliance on financial data. Lastly, a case study will be presented to demonstrate a framework for financial statement analysis, highlighting reporting choices and biases that affect the quality and comparability of financial statements.

Unit Topics
Reading 16: Inventories: Implications for Financial Statements and Ratios
Reading 17: Long-Lived Assets: Implications for Financial Statements and Ratios
Reading 21: Evaluating Quality of Financial Reports
Reading 22: Integration of Financial Statement Analysis Techniques

Equity Valuation I [OUpm014213]

Equity Valuation I will explore the fundamental concepts of valuation. It will begin with the value definition and valuation applications. It will then move on to return concepts, related to the actual calculation of return under various models, and how to interpret the equity risk premium. These concepts will build on the required rate of return and it will require the student to calculate and select the most appropriate return for the investment. A discussion on strategy will follow and show how competitive forces shape strategy. Understanding the components of valuation can be complicated, and it is not simply a calculation. This course will explain how the industry and the individual company, with their diverse attributes, will lead to a valuation through financial modeling techniques that will produce financial statement forecasts. Several discount dividend valuation models will be evaluated including the present value model, dividend discount model, Gordon Growth model and others.

Unit Topics
Reading 29: Equity Valuation: Applications and Processes
Reading 30: Return Concepts
Reading 31: The Five Competitive Forces That Shape Strategy
Reading 32: Your Strategy Needs a Strategy
Reading 33: Industry and Company Analysis
Reading 34: Discounted Dividend Valuation

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Quantitative Analysis [OUpm014214]

This course will build upon concepts previously learned in Quantitative Analysis, specific to the curriculum in Level I of the CFA curriculum. It will cover linear and multiple regressions, and how to interpret data. In addition, it will explain how to analyze data for statistical reliability. It will cover various variables, including their meaning, shortcomings and how to utilize various calculations to support or disprove a hypothesis. Time-series analysis will be presented and will cover trend models, random walks and seasonality. In probability several approaches, including scenario analysis, decision trees and simulations will also be explored.

Unit Topics
Reading 9: Correlation and Regression
Reading 10: Multiple Regression and Issues in Regression Analysis
Reading 11: Time-Series Analysis
Reading 12: Excerpt from “Probabilistic Approaches: Scenario Analysis, Decision Trees, and Simulations”

Economics [OUpm014215]

This course will focus on the Economics for Valuation. Particular areas of study will look at various currency exchange concepts, including Cross Rate calculations, Foreign Exchange Spreads as well as Forward Markets. International Parity Relations related to Interest Rate Parity, Purchase Power Parity and how all parity relations are brought together will be discussed. Participants will understand Monetary and Fiscal Policy in relation to currency exchange rates. Economic Growth and the Investment Decision will be presented as well as how it relates to the effect of regulations on economics.

Unit Topics
Reading 13: Currency Exchange Rates: Determination and Forecasting
Reading 14: Economic Growth and the Investment Decision
Reading 15: Economics of Regulation

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Corporate Finance [OUpm014216]

The student will begin with a recap of Level I concepts, particularly related to capital budgeting. It will dive further into cash flow projections as well as project analysis and valuation, leading to other valuation models. A presentation of various capital structures will be analyzed including the Modigliani-Miller proposition with and without taxes, financial distress, agency costs, etc. and conclude with the target capital structure. Dividend and share repurchase will be analyzed in reference to company value, payout policy and dividend safety. Students will explore stakeholder and corporate performance, agency theory and corporate governance. It will conclude with mergers and acquisitions. The definition, classifications, motivations, target company valuation and corporate restructuring will all be analyzed as it relates to how companies are acquired or merged into other companies.

Unit Topics
Reading 23: Capital Budgeting
Reading 24: Capital Structure
Reading 25: Dividends and Share Repurchases: Analysis
Reading 26: Corporate Performance, Governance, and Business Ethics
Reading 27: Corporate Governance
Reading 28: Mergers and Acquisitions

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Learning Outcomes by Topic

Year 2 - Semester 4

Course Code	Course	Study Hours				Credits
		Self-Study	VC	Seminars	TOTAL	TOTAL
OUpm014221	Financial Reporting and Analysis II	17	3		40	2.0
OUpm014222	Fixed Income	27	3		40	2.0
OUpm0142231	Alternative Investments	17	3		40	2.0
OUpm014224	Derivative Investments	24	6		40	2.0
OUpm014225	Equity Valuation	27	3		40	2.0
OUpm014226	Portfolio Management	17	3		40	2.0
SEMESTER 4		129	21	30	240	12

Financial Reporting and Analysis II [OUpm014221]

FRA 202 will elaborate on the various complexed accounting subjects in three areas. The first unit is inter- corporate investments which can be difficult to understand. A basic introduction to the concept along with a deeper understanding of Associates, Joint Ventures, Combinations and SPEs/VIEs will be discussed. Another large and relatively complicated reporting area for companies is the accounting for various employee compensation plans. These would include pensions, post-retirement benefits and share-based compensation. The key assumptions for these plans and the effects on changes in those assumptions will be evaluated. Lastly, multinational operations hold their own complexities when foreign currency and potential hyperinflationary situations arise. The various accounting for these situations will be presented and explained.

Unit Topics
Reading 18: Intercorporate Investments
Reading 19: Employee Compensation: Post-Employment and Share-Based
Reading 20: Multinational Operations

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Fixed Income [OUpm014222]

Fixed income instruments play an important role in investing. Understanding the dynamics that affect their pricing and value is important. This course will begin with understanding the term structure of interest rates from traditional to modern theories. Calculating the value of a fixed income security will be performed using the arbitrage-free valuation models. When an embedded option is added to a fixed income instrument, it becomes more complicated. Students will learn how to separate the value of each, and calculate the value of the bond with the embedded option. Other valuation and analysis will then be used on capped and floored floating rate and convertible bonds. Lastly, credit quality will be added to the equation as it is important in pricing a fixed income asset. Credit analysis models will be presented and evaluated.

Unit Topics
Reading 43: The Term Structure and Interest Rate Dynamics
Reading 44: The Arbitrage-Free Valuation Framework
Reading 45: Valuation and Analysis: Bonds with Embedded Options
Reading 46: Credit Analysis Models

Alternative Investments [OUpm014223]

This course will explore various alternative investments, specifically related to real estate, private equity and to a lesser extent commodities. Real estate will be analyzed from both a private market perspective as well as commercial properties. An introduction to valuation will consist of understanding and being able to calculate the income and cost approaches. Publicly traded real estate securities will be explored and be calculated using several valuation approaches. An introduction to valuation techniques in private equity transactions will be discussed, and they will be contrasted against venture capital and buyout settings. The risk and costs of investing in private equity will be evaluated in reference to fund performance. Commodity investing will be presented in reference to market participants, commodity sectors and exchanges. A discussion on pricing commodity futures and models of expected returns will also be explored.

Unit Topics
Reading 39: Private Real Estate Investments
Reading 40: Publicly Traded Real Estate Securities
Reading 41: Private Equity Valuation Reading 42: A Primer on Commodity Investing

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Derivatives Investments [OUpm014224]

This course will cover several derivative investments, including forwards, futures, options, swaps, and interest and credit derivatives. The fundamental pricing and valuation techniques will be explored for each investment. An understanding of how and why each instrument is utilized will be developed. For option contracts, pricing models will include discrete-time, binomial model, and continuous-time options (Black-Scholes-Merton Model). Various swaps will be examined, including currency, equity and vanilla interest rate swaps. Interest rate derivatives and credit default swaps will be deconstructed and identified for the appropriate application of each.

Unit Topics
Reading 47: Forward Markets and Contracts
Reading 48: Futures Markets and Contracts
Reading 49: Option Markets and Contracts
Reading 50: Swap Markets and Contracts
Reading 51: Interest Rate Derivative Instruments Reading 52: Credit Default Swaps

Equity Valuation II [OUpm0142215]

This course will focus on equity valuation models. Equity Valuation I (EV 201) is the prerequisite as the introductory valuation knowledge is necessary to begin with Free Cash Flow valuations in EV II. It will require the student to understand and be able to calculate Free Cash Flow to the Firm/Equity (FCFF/FCFE) with variations. Market-Based Valuation will then be explored. It will include methods of valuation based on Comparable Businesses versus Forecasted Fundamentals. Students will understand and utilize P/E ratios, enterprise value multiples and other models to determine various methods to value a company. The residual income model will also be utilized in regards to accounting and other international considerations. The course will conclude with private company valuation, focusing on the income, market and asset-based approaches.

Unit Topics
Reading 35: Free Cash Flow Valuation
Reading 36: Market-Based Valuation: Price and Enterprise Value Multiples
Reading 37: Residual Income Valuation Reading 38: Private Company Valuation

MSc Financial Analysis

Portfolio Management [OUpm014226]

This course on portfolio management will begin with an introduction to arbitrage pricing theory and multi-factor models. An analysis of active portfolio management, adding valuing and comparing risk and return will be evaluated. The role of economics in relation to investment markets will be explored. It will compare and contrast yield curves and credit premiums at different times in the business cycle. The portfolio management process will be outlined which will ultimately produce the Investment Policy statement, which encapsulates the various components of an investment plan for the investor. This course will cover LOS's 53-56 in the CFA Institute Level II curriculum, related to the following readings:

Unit Topics
Reading 53: An Introduction to Multifactor Models
Reading 54: Analysis of Active Portfolio Management
Reading 55: Economics and Investment Markets Reading 56: The Portfolio Management Process and the Investment Policy Statement

MSc Financial Analysis

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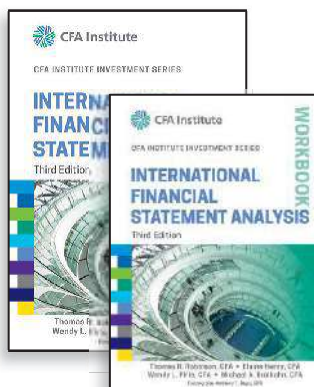
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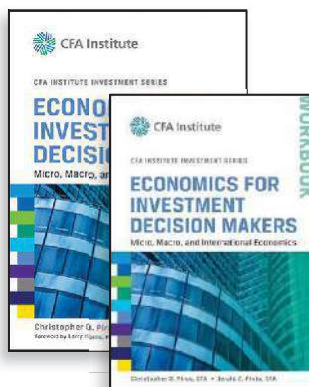
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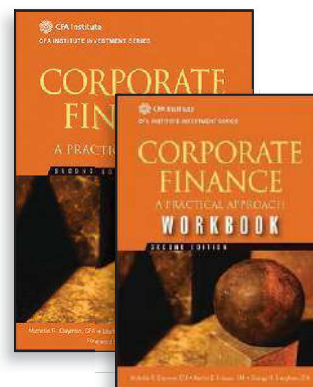
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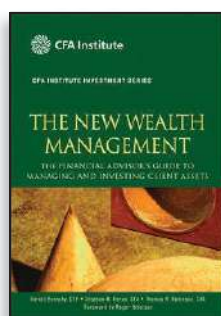
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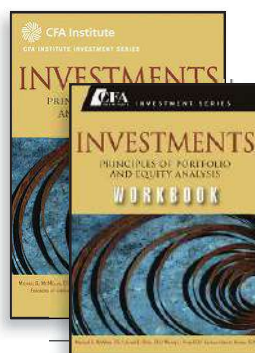


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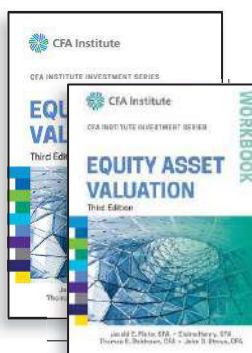


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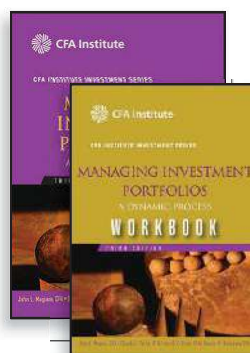
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