

Asset Valuation

Academic Year: (2023 / 2024)

Review date: 01-12-2023

Department assigned to the subject: Business Administration Department

Coordinating teacher: PEÑA SANCHEZ DE RIVERA, JUAN IGNACIO

Type: Electives ECTS Credits : 6.0

Year : Semester :

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Mathematics, Statistics, Econometrics I and II, Microeconomics III, Financial Economics, Corporate Finance, Financial Systems

OBJECTIVES

Diseño y gestion de estrategias de inversion a corto y largo plazo.

DESCRIPTION OF CONTENTS: PROGRAMME

Starting from the basic asset pricing equation, the rational asset pricing theories are first summarized. The basic ideas of Behavioral Finance are introduced below. Finally, the main approaches to financial investment are described based on asset classes, systematic strategies, and risk factors, including strategic asset allocation. All bibliography is in English.

PROGRAM:

1. The basic asset pricing equation
2. Rational asset pricing theories
3. Behavioral Finance
4. Asset classes: historical evidence of results
5. Systematic investment strategies
6. Asset Allocation
7. Asset Selection
8. Strategic Asset Allocation

LEARNING ACTIVITIES AND METHODOLOGY

The teaching methodology will include:

1. Master classes, where the knowledge that students must acquire will be presented.
2. Discussion of real cases of portfolio management activity in which specific problems that may arise in it will be analyzed.
3. Simulations in computer classrooms in which the various investment portfolios designed by the students who have been distributed in groups are put into competition.
4. Resolution of exercises by the student that will help them self-evaluate their knowledge and acquire the necessary skills.
5. Sharing the answers to the exercises, as well as the possible errors that have arisen in the competition between portfolios.

ASSESSMENT SYSTEM

The (continuous) evaluation will be based on the following criteria:

Continuous evaluation 60%

- Class participation: 10%. Concise interventions will be valued. To this end, the teacher will discuss a possible specific problem in portfolio management.
- Resolution of cases and exercises: 50%. Importance will be given to the portfolio simulation part (35%). In addition, 15% will be based on the resolution of individual exercises.

Final exam: 40%. The knowledge acquired by the student will be evaluated.

Alternatively, the final exam will represent 100% of the grade for all those students who decide not to

integrate into the previous continuous evaluation system.

% end-of-term-examination: 40

% of continuous assessment (assignments, laboratory, practicals...): 60

BASIC BIBLIOGRAPHY

- A. Ilmanen Expected returns, Wiley, 2011

ADDITIONAL BIBLIOGRAPHY

- H. Misnky Stabilizing an unstable economy, McGraw Hill, 2008