ASSET VALUATION AND SELECTION
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Degree in Finance and Accounting

(Revision: 26.08.2018)   Academic Year**: 2018/2019**

Department of Business Administration
OPTIONAL
COURSE: 4º
CREDITS: 7
CREDITS ECTS: 6
QUARTER: 1º
HOURS/WEEK: 3
COORDINATOR: JUAN IGNACIO PEÑA SANCHEZ DE RIVERA

Not eligible as free election in the following degrees:

- Degree in Business Administration

GOALS:
Current approaches in sustainable and conventional financial investing are presented, based on asset classes, systematic strategies and risk factors, including strategic asset allocation. After discussing personal portfolio choice, core ideas of Behavioral Finance are explained.

PROGRAM:

Chapter 1. Introduction

What is this course about?
Grading
Data and Software
Asset standardized description
Project
Basic ideas
Asset classes: historical performance
CFD
ETF

Chapter 2. Why sustainable investing?

Evidence on Climate Change (CC)
Causes
Projections (IAM Models)
Consequences
Strategies
International protocols

Chapter 3. Green Investment Gap

Dealing with Climate Change
Green Investment Gap
ESG factors
Initiatives: UN, EU
The role of the insurance sector
Low Carbon Economy in six charts

Chapter 4. Sustainable Investing: Green Bonds

What is a green bond?
Labeling
The market of GB
Primary market
Secondary market
Portfolios
Real-economy effects

Chapter 5. Sustainable Investing: Stock Markets

Doing well or doing good?
ESG factors
Security selection
SRI performance
Testing factors
Multiple testing
ESG ratings
Trading strategies
Evaluating trading strategies

Chapter 6. Sustainable Investing: Green Real Estate

Real estate and the environment
Investing in energy efficiency
Green Buildings
REITS
Green mortgages

Chapter 7. Sustainable Investing: New markets

Carbon markets
CDM&JI
ETS
EU-ETS
Carbon prices
Carbon markets strategies
Tradable White certificates (Energy Savings Certificate, Energy Efficiency Credit).

Chapter 8. Investment strategies

Passive and Active investment strategy
Performance measures
J.M. Keynes as investor
Market timing
Security Selection
Warren Buffet, Georges Soros and the Norway Sovereign Fund
Global Asset Allocation

Chapter 9. Personal portfolio choice

Preliminaries
Life expectancy
Instruments
Insurance
Asset allocation
Investment funds
REITS

Chapter 10. Behavioral finance

Efficient Markets?
Some experiments
Psychology
Biases
Preferences
Prospect Theory
Limits to Arbitrage
Bubbles
Behavioral Investment Strategies

GRADING:

Grading: Project paper, Cases and exercises, Class participation and Final Exam.
Project paper 30%
Cases and exercises/class participation 30%.
Project and cases: groups of 4 persons
Final Exam: 40%.

REQUIREMENTS: (Previous courses taken)
Mathematics (Linear Algebra and Calculus), Statistics, Econometrics I and II, Microeconomics III, Financial Economics, Corporate Finance, Financial Systems.

SPECIFIC LEARNING GOALS (GRADED):
- The design and management of ESG and conventional Long run and short run investment strategies.

 Methodology:

(1)   Theory.

(2)   Cases

(3)   Computer simulations.

(4)   Exercises

(5)   Class discussion.

REFERENCES:

- Krosinsky, C. and N. Robins (2008) Sustainable Investing. Earthscan.
- Hebb, T., J. P. Hawley, A.G.F. Hoepner, A.L. Neher, D. Wood (2018) . The Routledge Handbook of Responsible Investment. Routledge.
- Dimson,E., P. Marsh, and M. Staunton "Triumph of the Optimists: 101 Years of Global Investment Returns". Princeton University Press. 2002.
- Shefrin, H. "Beyond Greed and Fear: Understanding Behavioral Finance". Oxford University Press. 2002
- Ilmanen, A. (2011) Expected Returns. Wiley
- Anson, M (2006) Handbook of Alternative Assets. Wiley.
- El-Erian,M. (2008) When Markets Collide: investment Strategies for the Age of Global Economic Change. McGraw Hill.

Other references will be provided in each session.

TIMETABLE

WEEK	SESSION	SESSION'S TOPICS
1	1	**Chapter 1**
1	2	**Chapter 1**
2	3	**Chapter 2**
2	4	**Chapter 3**
3	5	**Chapter 4**
3	6	**Assignment 1**
4	7	**Chapter 5**
4	8	**Chapter 5**
5	9	**Chapter 6**
5	10	**Assignment 2**
6	11	**Chapter 7**
6	12	**Chapter 8.**
7	13	**Chapter 8**
7	14	**Assignment 3**
8	15	**Chapter 8**
8	16	**Chapter 8**
9	17	**Chapter 8**
9	18	**Assignment 4**
10	19	**Chapter 8**
10	20	**Chapter 9**
11	21	**Chapter 10**
11	22	**Assignment 5**
12	23	**Chapter 10**
12	24	**Project presentations**
13	25	**Project Presentations**
13	26	**Project Presentations**