

Course Information	
Subject	CFA Program
Degree	Master in Finance
Course	First course
Term	Second Term
ECTS – Credits	4
Type of Course	Elective
Department	ICADE Business School
Area	Finance

Professor	
Name	Ainhoa Diez-Caballero Pascual
Department	ICADE Business School
Area	Finance
e-mail	adcaballero@icade.comillas.edu
Attendance Hours	Available by e-mail
CV	http://web.upcomillas.es/profesor/adcaballero

Professor	
Name	Javier Alberto Borrachero Kieselack
Department	ICADE Business School
Area	Finance
e-mail	jborrachero@icade.comillas.edu
Attendance Hours	Available by e-mail
CV	http://web.upcomillas.es/profesor/jborrachero

Professor	
Name	Luis Buceta Casteleiro
Department	ICADE Business School
Area	Finance
e-mail	lbuceta@icade.comillas.edu
Attendance Hours	Available by e-mail
CV	http://web.upcomillas.es/profesor/lbuceta

COURSE SPECIFICS

Context of the Course
Contribution to the professional profile of the master degree.
The course helps the students to obtain the basic concepts and skills necessary to pass the level I of the CFA Program (Chartered Financial Analyst), currently known as the gold standard in the investment industry. Charterholders enjoy a remarkable distinction throughout the world.
The CFA Program is a designation that will provide the students with the skills necessary to compete and excel in today's complex and evolving investment industry, giving them a clear competitive advantage.

The preparation course for level I of the CFA Program synthesizes and complements the compulsory study contents of the CFA Program. It is designed to optimize the time and effort required to pass the CFA Designation Level I exam. The preparation course will allow, for those candidates currently registered in the level I of the CFA Program as well as for those students who are not going to take the exam, to acquire a solid base of the main concepts needed and tools used in finance for the valuation and management of assets.

A particular focus is made on the following areas: Economic Analysis, Asset Valuation (Equity, Fixed Income, Derivatives and Alternative Investments), Portfolio Management and Corporate Finance.

Class Aims

Previous financial knowledge other than the acquired during the first semester is not required.

CONTENTS

Contents
Lesson 1: ECONOMICS
<ul style="list-style-type: none"> • Topics in Demand and Supply Analysis • The Firm and Market Structures • Aggregate Output, Prices, Economic Growth and Business Cycles • Monetary and Fiscal Policy International Trade and Capital Flows • Currency Exchange Rates
Lesson 2: CORPORATE FINANCE
<ul style="list-style-type: none"> • Introduction to Corporate Governance and Other ESG Considerations • Capital Budgeting • Cost of Capital • Measures of Leverage • Working Capital Management
Lesson 3: EQUITIES
<ul style="list-style-type: none"> • Market Organization and Structure • Security Market Indexes • Market Efficiency • Overview of Equity Securities • Introduction to Industry and Company Analysis • Equity Valuation: Concepts and Basic Tools
Lesson 4: FIXED INCOME
<ul style="list-style-type: none"> • Fixed-Income Securities: Defining Elements • Fixed-Income Markets: Issuance, Trading, and Funding by • Introduction to Fixed-Income Valuation • Introduction to Asset-Backed Securities • Understanding Fixed-Income Risk and Return • Fundamentals of Credit Analysis
Lesson 5: DERIVATIVES
<ul style="list-style-type: none"> • Derivative Markets and Instruments • Basics of Derivative Pricing and Valuation
Lesson 6: ALTERNATIVE INVESTMENTS
<ul style="list-style-type: none"> • Introduction to Alternative Investments
Lesson 7: PORTFOLIO MANAGEMENT
<ul style="list-style-type: none"> • Portfolio Management: An Overview • Portfolio Risk and Return • Basics of Portfolio Planning and Construction

<ul style="list-style-type: none"> • Introduction to Risk Management
Lesson 8: PRACTICAL CASE
<ul style="list-style-type: none"> • Gain real-world experience as the students assume the role of a research analyst while analyzing a real company.

Competences
General competences
<p>CGB 1. Capacity for analysis and synthesis</p> <p>CGB 2. Problem solving and decision making</p> <p>CGB 3. Capacity for organization and planning</p> <p>CGB 4. Ability to manage information from different sources</p> <p>CGB 5. Advanced computer skills related to field of study</p> <p>CGB 6. Interpersonal skills: listen, argue and debate</p> <p>CGB 7. Leadership and teamwork</p> <p>CGB 8. Critical and self-criticism capacity</p> <p>CGB 9. Ethical commitment</p> <p>CGB 11. Ability to learn and work independently</p> <p>CGB 13. Action and quality orientation</p> <p>CGB 14. Ability to process and transmit ideas, projects, reports, problems and solutions</p>
Specific competences
CE 16 Knowledge and understanding of the contents needed to pass the exams of a certification suitable to develop a career in investment management.

TEACHING AND LEARNING

General methodology characteristics of the course	
Classroom methodology: Activities	Competences
<p>The class will be based on the review of the basic concepts contained in the documentation, that students will have reviewed on advance, and the resolution of practical cases. Besides, to success in each class, a basic financial knowledge is required, which will be acquired in the first semester.</p> <p>A financial calculator is required during the sessions.</p> <p>Specialist teachers from the different areas analyzed will lead each class.</p> <p>Active participation of students is mandatory in both the normal development of the class, and in the discussion of the case study, or the exercises if there to be.</p> <p>At the end of the course, the students will have to issue an investment recommendation on a company, supported on an analyst "sell side" type report that will be presented and properly defended in front of the rest of the group.</p>	
Methodology - Not in the class: Activities	Competences
<p>The previous study of the documentation for each session, which will be made available to students with sufficient time, is required.</p> <p>Analysis and resolution of practical cases and exercises, when assigned, are mandatory and will be resolved at home and shall be delivered in writing.</p>	

EVALUATION AND GRADING CRITERIA

Types of Evaluation	Criteria	Weight
Final Individual Oral Presentation (SE1) of the Research Challenge: Final case presentation.	<u>To pass the CFA Preparation Course, the average between the final exam mark and the research challenge mark must be at least 4,90.</u> Clarity in presentation; Synthesis; Appropriateness in the statement of the questions; Students will elaborate a typical “sell-side” recommendation of a company. The final written report, individual and group presentation (SE1+SE2+SE5) will be jointly evaluated, being the total weight of the research challenge, in the final qualification, 55% of the grade of the course.	15%
Individual Test (SE2). Final test similar to the one found in the CFA exam.	Right answers. Incorrect answers will not penalize.	10%
Written report of the Research Challenge (SE3): Final case report	<u>To pass the subject, the average between the final exam mark and the research challenge mark must be at least 4,90.</u> Apply instructions and criteria.; Organization of information; Clarity in presentation; Means of support used; Synthesis. Students will elaborate a typical “sell-side” recommendation of a company. The final written report, individual and group presentation (SE1+SE2+SE5) will be jointly evaluated, being the total weight of the research challenge, in the final qualification, 55% of the grade of the course.	25%
Individual Assignments/Practices/Works (SE4) INDIVIDUAL ASSIGNMENTS/PRACTICES/WORKS, SAME WEIGHT EACH	Apply instructions and criteria; Appropriateness in the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis.	10%
Final Group Oral Presentation (SE5) of the Research Challenge: Final case presentation	<u>To pass the subject, the average between the final exam mark and the research challenge mark must be at least 4,90.</u> Apply instructions and criteria; Appropriateness to the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis <u>Distribution and organization of work.</u> <u>Everyone must participate</u>	15%
Participation (SE6) PARTICIPATION, ACHIEVEMENT OF OBJECTIVES, AND COMMITMENT THROUGHOUT THE CLASSES	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of achievement of objectives, predisposition, commitment and initiative.	25%

Notes to the evaluation criteria:

1. All students must meet a minimum of 75% attendance in the whole subject.
2. For the exercises, to be taken into account, they must be delivered through Moodle in time and format.
3. If, when combining the criteria, the final grade is equal to or higher than 5, but the minimum grade for the exams or final tests has not been achieved, the final grade will be reduced to a maximum of 4,0 points.
4. In case a student does not obtain a grade of 5,0, the student may take an extraordinary exam. In that case if the student pass the retake exam, his/her final grade in the subject must be a 5,00.

5. If the student does not comply with 70% of the evaluation activities, the weightings of the evaluation system table will not be applied, and the maximum final grade will be 4,0.

Evaluation criteria to apply at second enrolment:

Types	Criteria	Weight
Individual assignments	To pass the course, the student must deliver all the tasks assigned by the teacher	15%
Taking written exams, multiple choice tests, concept tests and solving practical cases as an exam	At least 5,00 points on the final exam, or at least an average of 5,00 on all examination activities.	70%
Participation	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of the achievement of objectives, predisposition, commitment and initiative.	15%

Evaluation criteria to be applied in the case of school waiver/exemption:

In cases of exemption/dispensing from schooling, provided that the student duly justifies it, the grading criteria will be 70% for the exam (if the subject allows it, two exams will be taken, 35% each) and 30% for individual works. The individual works will serve to control the evolution of the student's learning. Only in cases in which the student is not able to answer in writing, and provide evidence that justifies it, the exam may be oral and the content of the student's answers will be transcribed.

Criteria in health alert:

The student must be permanently identified, with an identification in the classroom and with their full name remotely. Students should not change the spaces they occupy in the classroom, unless directed by a teacher or the program management.

Failure to comply with any of the health recommendations during the class sessions may imply failure in the subject.

SUMMARY OF STUDENT WORK HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Content presentation (AF2)	Homework presentation (AF3)	Exercises and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case studies (AF6)	Interdisciplinary activities (AF7)	Simulations (AF8)
5	5	5	5	5	5	2,5	2,5
NON-ATTENDANCE HOURS							
Study and analysis of documentation (AF9)		Performing assignment and case studies (AF10)		Tutorial sessions (AF11)		Conducting collaborative work (AF12)	
40		10		2		20	
ECTS CREDITS: 4 ECTS							

BIBLIOGRAPHY

Recommended Bibliography
Textbooks
Presentations given by the teachers
Additional Readings

CFA Program Curriculum 2020 Level I, CFA Institute

Code of Ethics and Standards of Professional Conduct, Standards of Practice Handbook, Eleventh Edition

Quantitative Investment Analysis, Second Edition, by Richard A. DeFusco, CFA, Dennis W. McLeavey, CFA, Jerald E. Pinto, CFA, and David E. Runkle, CFA

Global Investment Performance Standards (GIPS)

Monetary and Fiscal Policy by Andrew Clare, Phd, and Stephen Thomas, Phd.

International Financial Statement Analysis, by Thomas R. Robinson, CFA, Jan Hendrik van Greuning, CFA, Elaine Henry, CFA, and Michael A. Broihahn, CFA

Fixed Income Analysis, Third Edition, by B. Petitt, J. Pinto

Introduction to Mortgage Backed Securities, by Frank Frank J. Fabozzi, CFA, Anand B. Bhattacharya PhD, William S. Berliner

Analysis of Derivatives for the Chartered Financial Analyst® Program, by Don M. Chance, CFA