



Premaster Finance

Vrije Universiteit Amsterdam - Fac. der Economische Wet. en Bedrijfsk. - P Finance - 2013-2014

The pre-master programme consists of 30 ECTS (5 courses of 6ECTS each) and runs for half a year (February till July). The pre-master programme is only to be taken by students with a suitable HBO degree. It is a bridge programme that aims to prepare HBO students for studying at a university. Therefore, it mostly consists of courses that provide training in academic reading, reasoning, and writing, research methodologies and statistics. Each master has its own pre-master programme. Upon successfully completing the pre-master programme you are entitled to enrol in the master programme.

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PM Finance

Vakken:

Naam	Periode	Credits	Code
Academic Paper	Periode 4+5+6	6.0	E_PM_AP
Corporate Financial Management	Periode 4	6.0	E_BK3_CFM
Investments	Periode 4	6.0	E_EBE3_INV
Mathematics	Periode 5	6.0	E_PM_MATH
Statistics	Periode 5	6.0	E_PM_STAT

Academic Paper

Vakcode	E_PM_AP ()
Periode	Periode 4+5+6
Credits	6.0
Voertaal	Nederlands
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. M.W. van Gelderen
Niveau	300

Doel vak

To gain experience in designing, executing, and reporting research

Literatuur

The readings involved in producing the academic paper are master/specialisation specific, and mainly consist of journal articles to be gathered by the student. Individual supervisors may supply you with a key starting reference where needed.

Corporate Financial Management

Vakcode	E_BK3_CFM (61342390)
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	prof. dr. A.B. Dorsman
Docent(en)	prof. dr. A.B. Dorsman
Lesmethode(n)	Hoorcollege, Werkgroep
Niveau	300

Doel vak

This course expands on financial topics covered in the first and second year. The emphasis in this course is on the Optimal Capital Structure of a corporation. The aim is to prepare students for a (possible) career as

(assistant) Financial Manager in Industry or in the FBI sector: Finance, Banking (commercial and investment) and Insurance, incl. pension funds, investments funds, stock markets, Euronext, DNB, ECB, AFM, Ministry of Finance etc.

Inhoud vak

The following topics, issues and concepts will be dealt with:

- Capital structure in perfect Markets
- Leverage and Debt
- Optimal Capital Structure with Taxes and Financial Distress
- Payout Policy, Dividends and Share Repurchases
- Capital budgeting and Valuation
- Financial Modeling
- Corporate Governance

Onderwijsvorm

Lecture. Students have to complete before each lecture quizzes (tests) on MyFinancLab.

Toetsvorm

written interim examination (80% 5, 0 min.) cases / tutorials (20% of final grade based on average of scores of tests and quizzes on MyFinanceLab.

Vereiste voorkennis

This course is for Business Administration students and/or Pre- Master BK students specializing in Financial Management. Students must be familiar with Corporate Finance / Financial Management as covered in the 1st and 2nd year.

Investments

Vakcode	E_EBE3_INV (60332090)
Periode	Periode 4
Credits	6.0
Voertaal	Engels
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. D.G. Stefanova
Docent(en)	T.C. Dyakov MSc BA
Lesmethode(n)	Hoorcollege
Niveau	300

Doel vak

This course aims to make students familiar with the insights from investments and portfolio management theory. Students also have to be able to apply these insights in practical situations involving portfolio decisions and investment management for both individuals and institutions.

Inhoud vak

Investment decisions take a prominent role in everyday life. We can think of investment decisions taken by institutional investors (banks, insurance companies, pension funds, mutual funds), but also financial decisions taken by individual households (additional pension savings, saving for ones children's education (and how), buying a house, etc.)

Investment theory is also strongly linked with risk management. The importance of sound decision making in this field has been underlined by recent experiences on financial markets, law suits involving complex financial products for retail clients, the debate about the (in)solidity of pensions, etc. The Investments course aims to provide an overview of the principles of investment analysis. A framework is developed that allows one to address a variety of (at first sight) completely different investment problems in a unified way. The theoretical underpinnings are developed from modern portfolio theory, with mean-variance optimization and the CAPM as key ingredients. The second component of the course deals with the empirical research for financial markets and the actual mechanisms driving these markets. Factor models for returns on financial products are very important here. The third component consists of valuation and risk attribution (including performance attribution) for individual financial products as well as portfolios of these products.

Onderwijsvorm

Lectures and tutorial sessions.

Toetsvorm

Written exam and Case work. Exam questions are meant to test the candidate's theoretical insight as well as analytical and computational skills. Case work is used to test students implementation skills in Excel of the material treated in the course. Correctly completing a minimum of case work is compulsory for obtaining a pass for this course. Guidelines are communicated via Blackboard at the start of the course.

Literatuur

The course literature consists of detailed lecture slides to be found under Course documents on Blackboard. These will be posted weekly before each set of lectures. In addition to them, the textbook below is a compulsory reading material:

- Zvi Bodie, Alex Kane and Alan J. Marcus: Investments, McGraw Hill (8th edition)

As optional supporting material for the applied Excel work, I suggest the following books:

- Adair, Excel Applications for Investments (introductory book to Excel and its applications for investment problems).

- Mary Jackson and Mike Staunton, Advanced Modeling in Finance using Excel and VBA, Wiley Finance (advanced VBA applications and programming).

Vereiste voorkennis

The course builds upon prior knowledge in the 1st and 2nd year Finance courses (Finance 1.4, 2.2 and 2.4 for Economics students and Finance and Financial modeling 1.5 and Financial Management 2.4 for Financial Management students). For students coming from different programs or having a different background, this should correspond to mastering the concepts in the book of Braeley and Myers, Principles of corporate finance, chapters 1-15, 20-23, 27-30.

Overige informatie

The course is taught in English

Mathematics

Vakcode	E_PM_MATH ()
Periode	Periode 5

Credits	6.0
Voertaal	Nederlands
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. K.O. Azam
Lesmethode(n)	Hoorcollege
Niveau	300

Doel vak

The course builds on the mathematics that has been offered at high school ("Wiskunde A"). After taking the course in mathematics, the student is expected to

- a) be able to understand the basic principles of differentiation (including partial differentiation) and integration, and to apply these to elementary functions;
- b) be able to find optimum values of functions of one or more variables, with or without a constraint;
- c) to understand and use elementary matrix theory;
- d) to apply the theory of differentiation to vectors and matrices;
- e) to apply the principles of limits, sequences, and series;
- f) to understand the theory of stochastic vectors and multivariate probability distributions;
- g) to formulate and solve the regression model in matrix terms.

Inhoud vak

In the course 'Mathematics' the basic skills in mathematical thinking and working will be treated. Such skills are essentials to solving problems related to, for instance, micro-economics (maximizing profit under budget constraints) and macro-economics (finding labor multipliers).

Onderwijsvorm

The course consists of 18 sessions over a period of six weeks. Each session takes 2 hours, and will be a mix of lectures with the purpose of exposing the subject matter, and instruction sessions with the purpose of practicing by doing exercises.

Toetsvorm

The assessment consists of an exam. The exam is made up of multiple choice questions and/or open questions.

Literatuur

The course relies on the following book:

K. Sydsaeter & P. Hammond, Essential Mathematics for Economic Analysis, 4th Edition, Pearson, 2012, ISBN 978-0-273-76068-9. The VU-bookshop offers a special edition (ISBN 978-0-273-78762-4) with an access code for online training ("MyMathLab Global access card"). Using MyMathLab is not mandatory for this course, and it is not supported by the teachers. Additional documents that are essential for this course will be available at the Blackboard system.

Statistics

Vakcode	E_PM_STAT ()
Periode	Periode 5
Credits	6.0

Voertaal	Nederlands
Faculteit	Fac. der Economische Wet. en Bedrijfsk.
Coördinator	dr. R. Heijungs
Lesmethode(n)	Hoorcollege, Werkgroep
Niveau	300

Inhoud vak

In the course 'Statistics' the basic skills in statistical thinking and working will be treated. Such skills are essentials to solving problems related to, for instance, marketing (discovering patterns in consumer profiles), and finance (analyzing trends in time series).

Onderwijsvorm

The course consists of 18 sessions over a period of six weeks. Each session takes 2 hours, and will be a mix of lectures with the purpose of exposing the subject matter, and instruction sessions with the purpose of practicing by doing exercises.

Toetsvorm

The assessment consists of an exam. The exam is made up of multiple choice questions and open questions.