# ECU33052 — Investment Analysis B

| Module Information | |
|---|---|
| **Module Code** | ECU33052 |
| **Module Title** | Investment Analysis B |
| **Department** | Economics |
| **Year Group** | Junior Sophister |
| **Module Personnel** | Davide Romelli |
| **Academic Year** | 2026-27 |
| **Credit Weighting** | 5 credits |
| **Semester** | Semester 2 |
| **Contact Hours** | 2 lectures per week and 4 tutorials per semester |

| Module Content | |
|---|---|
| **Module Description** | This module provides an introduction to investment analysis, with a particular focus on how to make sound investment decisions through an understanding of equity markets. It examines the valuation of stocks, the risk-return trade-off, portfolio theory, asset pricing models, market efficiency, behavioural finance, and the role of macroeconomic and industry conditions in firm performance. The module combines theoretical concepts with practical applications and includes group-based applied work involving financial data and investment analysis. |
| **Module Learning Aims** | The module aims to provide students with a theoretical and practical understanding of investment decisions in financial markets. Students will learn how securities are valued, how risk and return are measured, how diversified portfolios are constructed, and how asset pricing models such as the CAPM and APT are used and critiqued. The module also aims to develop students’ ability to assess market efficiency, behavioural explanations of financial market outcomes, and the relevance of macroeconomic and industry analysis for investment decisions. |

| Module Content | |
|---|---|
| **Learning Outcomes** | Upon successful completion of this part of the module, students will be able to: explain the theory underlying portfolio theory; explain and critique the Capital Asset Pricing Model (CAPM); contrast the Arbitrage Pricing Theory and the Capital Asset Pricing Model; explain the Efficient Market Hypothesis and discuss issues in behavioural finance; understand the importance of the state of the macroeconomy for firm performance. |
| **Indicative Reading / Resources** | 1) Hillier, D., Ross, S., Westerfield, R., Jaffe, J., and Jordan, B. Corporate Finance, 3rd ed., McGraw Hill Education, 2016.<br>2) Bodie, Z., Kane, A., and Marcus, A. J. Investments, 13th ed., McGraw Hill Education, 2024.<br><br>An alternative introductory text is<br>3) Hillier, D., Clacher, I., Ross, S., Westerfield, R., and Jordan, B. Fundamentals of Corporate Finance, 3rd ed., McGraw Hill Education, 2017.<br>4)<br>Lecture notes, slides, and additional e-learning resources will be made available on Blackboard. |

| Assessment | |
|---|---|
| **Assessment Components** | Final exam: 30%. Group assignment: 60%. Project presentation: 10%. |
| **Assessment Details** | The final exam will take place during the final assessment weeks in late April and will account for 30% of the module grade. The remaining 70% will be based on applied group work, comprising a group assignment worth 60% and a project presentation worth 10%. |

| Additional Information | |
|---|---|
| **Prerequisites** | No formal prerequisites are specified. The module does not assume previous knowledge of financial economics, but students should be comfortable with mathematical and statistical tools at the level of second-year Mathematical and Statistical Methods. |
| **Co-requisites** | None |

| Additional Information | |
|---|---|
| **Any other information** | ECTS weighting: 5.<br>Semester taught: Semester 2 / Hilary Term.<br>Contact hours: 22 hours of lectures and 4 hours of tutorials.<br>Lecture notes and additional materials will be available on Blackboard before each lecture. |