AG427 Advanced Portfolio Analysis
This class examines issues involved in optimal portfolio choice and the evaluation of managed fund performance. The class builds especially on the material covered in AG211.

The aim of the class is to examine issues involved in the estimation of optimal portfolios and the evaluation of the performance of managed funds. The performance of the funds will be explored through the stochastic discount factor approach to asset pricing.

40428 Asset Pricing
This class explores the stochastic discount factor approach to asset pricing. The stochastic discount factor approach provides a general framework for evaluating issues in asset pricing. This class builds on the material covered in the Portfolio Analysis (Year 2) and Security Analysis (Year 3) classes.
The aim of the class is to examine a number of theoretical and empirical issues in asset pricing.

AG429 Behavioural Finance
The class builds on the student’s knowledge of finance and their understanding of finance theory developed through the core classes in years 1 to 3. This class introduces students to behavioural finance and provides them with an understanding of the main flaws of “traditional” finance theory from a behavioural finance viewpoint. It will allow students to develop the ability to competently discuss issues arising from violations of the rationality assumption and to enable them to evaluate new theoretical models based on research in psychology. The course will allow students to appreciate the role of new developments in finance and their possible implications for established views of financial markets.

The aim of the class is to provide students with an understanding of the main ideas of behavioural finance. A particular emphasis is placed on understanding the roles of non-rational actions and the development of new financial models that incorporate these. Students will engage with up to date research and develop a critical view of existing and new finance theories and models.

AG430 Corporate Financing
In broad terms, the class will cover theories of capital structure, sources of capital (debt and equity), and corporate payout policy at an advanced level. The class builds on the intermediate AG202 / AG206 Business Finance course, focusing on recent developments in corporate financial policy and more advanced theoretical models of corporate financing behaviour. The starting point for the course will be Modigliani-Miller assumptions introduced in Business Finance, and course material will highlight how the relaxation of these assumptions leads to formal models on corporate financing behaviour under imperfect capital markets. The class will also of relevance to students focus on corporate finance more generally within their honours year, including those students doing a dissertation in corporate financial policy, and those students taking AG4XX Corporate Investment and AG4XX Case Studies in Finance.

The emphasis in this class will be upon the ideas necessary to analyse the firm’s financing decisions. The class discusses financial structure and the alternative mechanisms for distributing corporate wealth to shareholders.
AG431 Corporate Investment
The class covers the main topics in the corporate investment and restructuring literature. It advances on material introduced in AG151 Introduction to Finance and Accounting that was further developed in AG202 Business Finance. Those classes covered the essential principles and practices of finance and investment. This class is primarily connected with corporate investment, otherwise referred to as ‘real’ investment. It examines in more detail the theoretical foundations of the principles of optimal investment behaviour, restructuring and the strategic investment positions adopted by firms in practice. The class builds significantly on the mergers and acquisitions theories and evidence that were introduced in AG202 Business Finance, and also examines the interface between investment and the financing decisions that are covered in greater depth in 40434 Corporate Finance.

The class aims to develop a deep understanding of the main issues in the theory and practice of corporate investment and restructuring policies, and to develop students’ initiative and ability to research the relevant literature. The class will emphasise the role of key concepts in Finance in explaining and understanding observed corporate investment and restructuring policies, whilst also highlighting their limitations in this respect. The class is based mainly on academic articles that have influenced and directed the current level of understanding of Corporate Investment Policy.

AG432 Financial Quantitative Methods
The class examines the problems associated with specifying financial models in forms which are amenable to estimation and testing with the available data. Consideration is given to the nature of financial data, the methods by which it is compiled and the problems it may present for applied financial analyst. Students are taught techniques of estimation, together with the methods for solving financial model problems. One coursework includes practical experience of applying the techniques to financial data using the econometric software PcGive.

The first aim of this class is to train students in the financial quantitative techniques used for the estimation and testing of financial models. The second aim is to build on and extend aspects of the models covered in other finance classes in order to provide students with skills required to evaluate advanced applied financial research. Therefore, it is assumed that students taking this class are familiar with basic statistics and simple least-squares methods of estimation.

AG433 International Corporate Governance
The class contributes to The Reflective Manager component of the course along with The Learning Manager and Managing classes. The class starts with a detailed discussion of the principles of ethics and good governance and uses case studies and research to illustrate corporate governance in practice throughout the world.

Different corporate governance systems are discussed and compared. These include the unitary board model found in the UK and US; the stakeholder governance model applied in countries like Germany, The Netherlands and Austria; the Sharia Supervisory Board model common in parts of the world; and the role of state shareholders and social corporate objectives in China.

The course will also provide an understanding of the nature of corporate governance and ethics in family firms and emerging markets and how these fit into the decision-making of executives.

The aims of the class are to:

- understand the importance of corporate governance in the context of the international corporate and economic performance;
- develop an appreciation of the principles and ethics that underlie corporate governance systems;
- provide an awareness of the different systems of corporate governance that exist in the world today;
• develop an understanding of the issues that family firms face when designing a corporate governance system;
• understand the role of ownership structure on corporate objectives – in particular, state shareholders, families, financial institutions and individuals;

AG434 International Financial Management
The basic objective of this course is to provide the overall insight of multinational financial management and extend the application of financial tools, techniques, and theories developed in the first three years to multinational corporate financial management. In particular this course develops the third year class of Treasury Management and International Finance. A closely related intention of the course is to give the students a good idea of the current frontier of research in selected areas of international financial management.

This course considers financial issues associated with the operation of a firm in the international environment. The course will focus on complications that make corporate financial decision making more complex for internationally oriented firms than purely domestic firms - for example exchange rates and political risk. Specifically, the course will focus on the following issues: exchange rate theories and implications for the multinational company, management of corporate exchange rates exposure; the evaluation and incorporation of political risk into project evaluation, the array of corporate financing possibilities in a global market, including projecting financing, the basic issues in international investment analysis such as capital budgeting and cost of capital determination for foreign projects, and methods for evaluating the performance of foreign operations. While the course presents theoretical points of view on the various issues, it uses both empirical academic evidence and discussion of firms' real world activities with the goal of preparing a student for a career dealing with financial issues of international corporate operations both at the banking and corporate level.

The course studies corporate financial decisions in an international setting. We start with basic concepts of international financial markets. These concepts include the global foreign exchange market and its operations, the international capital market, the global bond market, the international equity markets, and cross-border investment. Then, we discuss corporate financial decision issues including risk management, capital structure and capital budgeting.