



## COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Kodas
Financial Economics	

Annotation
Political science students increasingly need to handle global financial issues. This course will allow them to acquire the necessary skills for interpreting various aspects of finance and investment. The module includes topics of statistics and behavioral finance to enable the unbiased analysis of relevant data.

Lecturer(s)	Department(s) where the course unit (module) is delivered
Coordinator: Minijus Tilindis	<b>Institute of International Relations and Political Science, Vilnius University, Vokiečių g. 10, LT-01130, Vilnius, tel. +37052514130, e-mail: <a href="mailto:tspmi@tspmi.vu.lt">tspmi@tspmi.vu.lt</a></b>

Study cycle	Type of the course unit (module)
<b>First</b>	<b>Elective course</b>

Mode of delivery	Semester or period when the course unit (module) is delivered	Language(s) of instruction
<b>Face-to-face</b>	<b>Spring semester</b>	<b>English</b>

Requisites	
Co-requisites (if relevant): <b>English language proficiency (B2 level)</b>	Additional requirements (if any): <b>Course in economics (recommended)</b>

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	32	98

Purpose of the course unit (module)		
<p><b>The course is intended to provide students with the understanding of the essentials of finance (time value of money, discounting for public and private investment projects). Students will gain knowledge of investment principles applicable to both fundamental and technical analysis as well as of statistical tools needed for financial and investment analysis. Contemporary ideas of behavioral finance are presented in the module.</b></p> <p><b>Insights into the financial decision-making of individuals are provided in the course. Once the students have a broad familiarity with financial principles, these principles are applied to international investment context and its impact on the development of countries. Finally, the course moves into the modern-day banking exposing the operations, roles and importance of these financial institutions along with the rise of financial innovations.</b></p>		
Learning outcomes of the course unit (module)	Teaching and learning methods	Assessment methods
- Students will be able to explain and apply the main statistical relationships and concepts in actual financial situations. They will use graphical display tools to stress the most important aspects.	<b>Problem-oriented lectures, seminars (data analysis, comparative assessment and systemic analysis of practical issues, case study, oral presentations on assigned topics related to different financial and economic indicators, group discussions), individual studies (individual search of information, data collection, calculation, statistical analysis and presentation).</b>	<b>Examination, participation in discussions, presentations, group project</b>
- Students will be able to perform real-world time value of money and investment project	<b>Problem-oriented lectures, seminars (data analysis, comparative assessment and systemic analysis of practical issues, case study, oral presentations on assigned topics related to different situations, group discussions), individual studies (individual search</b>	<b>Examination, group project, participation in discussions</b>

calculations and explain the practical value of the results.	of information, data collection, calculation, interpretation and presentation).	
- Students will learn to apply both fundamental and technical analysis of stock valuation and construct a simple investment portfolio.	Problem-oriented lectures, seminars (data analysis, comparative assessment and systemic analysis of practical issues, case study, oral presentations on assigned topics related to different situations, group discussions), individual studies (individual search of information, data collection, calculation, interpretation and presentation).	Examination, group project, individual assignment participation in discussions
- Students will be capable of using behavioral finance methods for a critical assessment of financial decisions.	Problem-oriented lectures, seminars (data analysis, comparative assessment and systemic analysis of practical issues, case study, oral presentations on assigned topics related to different situations, group discussions), individual studies (individual search of information, data collection, calculation, interpretation and presentation).	Examination, participation in discussions, presentations, group project
- Students will know how to evaluate international investment decisions from the view of both an investor and a country.	Problem-oriented lectures, seminars (data analysis, comparative assessment and systemic analysis of practical issues, case study, oral presentations on assigned topics related to different situations, group discussions), individual studies (individual search of information, data collection, calculation, interpretation and presentation).	Examination, participation in discussions, presentations, group project

Content: breakdown of the topics	Contact hours							Individual work: time and assignments		
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship/work	E-learning	Contact hours, total	Individual work	Assignments
1 – 2 Fundamentals of statistics for investment and macroeconomics	2			2				4	10	Calculation and graphic presentation of investment and macroeconomic data
3 – 4 Time value of money	2			2				4	10	Performance of various TVM and investment computations
5 – 7 Investment	2		2	2				6	14	Administering a fundamental company analysis; building a simple investment portfolio; group presentation
8 – 9 Principles and application of behavioral finance. Game theory.	2		2					4	10	Creating and performing a test investigation (survey) of a behavioral finance model
10 - 11 Technical analysis	2		2					4	4	Performing and presenting an example of technical analysis
12 Use of limited resources (personal finance perspective)			2					2	6	Short individual presentation
13 - 14 National economic progress	2		2					4	10	Group review of selected countries / variables
15 Principles of banking. Financial innovation	2							2	6	Preparation for the in-class discussion
16 Presentation of group projects			2					2	14	Group project
Review of the course									14	Preparation for the examination
Total	14		12	6				32	98	

Assessment strategy	Weight, %	Deadline	Assessment criteria
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Participation in seminars	25%	During the course	Assessment of participation in discussions will involve: the knowledge of and ability to apply financial and statistical principles; ability to answer questions related to the seminar texts correctly, the quality of homework assignments (presentations), ability to formulate problems and suggest (search for) solutions concerning various aspects of modern finance and investment, ability to reflect critically and contribute to in-class debates.
Individual investment portfolio analysis assignment	15%	After topic 3.	The evaluation will include the correct fundamental analysis of chosen firms, right estimation of risk parameters, appropriate use of diversification
Group project (a presentation and a brief synopsis)	30%	After topic 8.	Students are going to be working in groups of 3 on a topic of their choice (topics should be discussed with the professor in advance) related to various contemporary issues of finance (both traditional and behavioral), investment, banking, development. The assessment will focus on the thorough analysis of a chosen topic with a clear input by the students; the use of a combination of primary data and existing research; a clear and illustrative presentation.
Examination	30%	At the end of the course	Written examination is going to be held in a form of a multiple-choice test. The assessment of students' answers will be related to their higher order cognition, i.e., synthesis, creative thinking and problem solving, based on the knowledge of the subject and abilities acquired during the course. No material (handbooks, slides, schemes, notes) is allowed.

Author	Publishing year	Title	Issue of a periodical or volume of a publication; pages	Publishing house or internet site
Required reading				
Richard A. DeFusco ...[et al.]	2015	Quantitative investment analysis		Wiley
John R. Nofsinger	2014	The Psychology of Investing		Routledge
Burton G. Malkiel	2003	A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing		W. W. Norton & Company
Margaret Stevens...[et al.]	2017	The CORE team, The Economy	Unit 3	<a href="http://www.core-econ.org/the-economy/book/text/03.html">www.core-econ.org/the-economy/book/text/03.html</a>
Barbara Casu; Claudia Girardone; Philip Molyneux	2015	Introduction to banking		Pearson
Recommended reading				
H. Kent Baker; John R Nofsinger	2010	Behavioral Finance: Investors, Corporations, and Markets		Wiley
Daniel Kahneman	2013	Thinking Fast and Slow		Farrar, Straus and Giroux
Dani Rodrik	2011	The Future of Economic Convergence		<a href="http://www.nber.org/system/files/working_papers/w17400/w17400.pdf">www.nber.org/system/files/working_papers/w17400/w17400.pdf</a>
Anna Visvizi	2020	Poland in the Single Market		Routledge