



School of Economics and Management

EAGFN, Master Programme (One Year) in Finance, 60 credits

Magisterprogram i Finans, 60 högskolepoäng

**Second cycle degree programme requiring previous university study / Program
med akademiska förkunskapskrav och med slutlig examen på avancerad nivå**

Decision

The programme syllabus is established by The Faculty Board of the School of Economics and Management 05-06-2020 and most recently amended by Vice Dean of Education at the School of Economics and Management 20-06-2022 (U 2022/478). The amended syllabus is valid from 29-08-2023, autumn semester 2023.

Programme description

This programme builds on previous studies in finance and is directed to students with an undergraduate in business or economics. The programme extends students' knowledge of all major areas of financial decision-making. It prepares students for future careers in the financial services sector, e.g., in commercial and investment banking, insurance firms and supervisory authorities, in corporate finance functions in financial and non-financial firms. It also prepares students for further studies in finance.

The programme serves to provide the student with a thorough understanding of and training in effective identification, analysis, and resolution of complex financial problems. The basis for the programme is the belief that the true nature of advanced higher education is research driven and the programme is based on the principle of academic rigour in practical application.

Important objectives are to familiarise students with the main areas of investigation and research techniques used in finance, and to give students the general knowledge required to specialise in their preferred area of finance.

Career opportunities

There is a broad and extensive labour market for finance professionals and specialists both nationally and internationally. The demand for the competence that finance professionals and specialists at this level possess is growing. A master degree in finance is an entry requirement for students aiming for a career in finance, irrespective of whether they aim for the financial services sector, e.g., commercial and investment banking, insurance firms and supervisory authorities, or in corporate finance functions of financial and non-financial firms.

Connections to further studies

Students completing master's programmes are eligible for admission to the PhD programmes in business or economics at the Lund University School of Economics & Management if they meet the special prerequisites required for each programme. Students with excellent results are also eligible for an additional extra semester at one of the School's international partner universities. Opting for such an additional "master-class" semester has proven very beneficial for future career development. In addition, students with excellent results are eligible to apply to one of the double degree programmes maintained by the School with selected partner universities.

Goals

The programme builds on previous studies at the undergraduate level in finance-related subjects. In accordance with the Higher Education Ordinance, a Master of Science (60 credits) is awarded to students who at the completion of the programme accomplish the following:

Mission driven learning outcomes

Graduates of the programme will be trained as reflective practitioners in taking an active part in developing a sustainable society building on innovative thinking.

Knowledge and understanding

For a Master's degree (60 credits) the student must:

- demonstrate knowledge and understanding within the field of finance, including both a broad command of the field and deeper knowledge of certain parts of the field, together with insight into current research and development work including different perspectives on sustainability
- demonstrate deeper methodological knowledge in the field of finance
- demonstrate thorough knowledge of financial decision-making, with particular emphasis on asset pricing, corporate financing and valuation, and risk management
- demonstrate thorough understanding of relevant econometric techniques

Competence and skills

For a Master's degree (60 credits) the student must:

- demonstrate an ability to integrate knowledge and to analyse, assess and deal

with complex phenomena, issues and situations, even when limited information is available

- demonstrate an ability to independently identify and formulate issues and to plan and, using appropriate methods, carry out advanced tasks within specified time limits
- demonstrate an ability to clearly present and discuss their conclusions and the knowledge and arguments behind them, in dialogue with different groups, orally and in writing
- demonstrate the skill required to participate in research and development work or to work in other advanced contexts
- demonstrate an ability to work in multi-cultural teams

Judgement and approach

For a Master's degree (60 credits) the student must:

- demonstrate an ability to make assessments within finance, taking into account relevant scientific, social and ethical aspects, and demonstrate an awareness of ethical aspects of research and development work
- demonstrate insight into the potential and limitations of science, its role in society and people's responsibility for how it is used
- demonstrate an ability to identify their need of further knowledge and to take responsibility for developing their knowledge

Independent project (degree project)

For a Master of Science (60 credits) students must have completed an independent project (degree project) worth at least 15 credits in finance, within the framework of the course requirements.

Course information

The programme comprises a total of 60 credits, consisting of seven compulsory courses covering theories, research methods, and applications in finance. The list of courses is not fixed and can be adapted in the future according to developments in the discipline, changes in demand from students and other interested parties, etc.

The programme of study is divided into two semesters, which consist in total of four study periods. In the first semester, focus is primarily on advancing students' knowledge of the theory of finance and econometric techniques used in financial research. The two courses offered in the first study period are designed to provide a common and advanced theoretical and methodological foundation among students. Both courses advance students' prior knowledge of financial theory and econometrics. In the second study period, students follow two courses that further advance and specialise their knowledge of the theory of finance and financial econometrics.

In the second semester, focus is instead shifted more towards application and problem solving. The courses in the third study period focus on applying theories and methodologies to financial management within firms and financial institutions. The second semester ends with a degree project in finance in the fourth study period. Through the project and the project report students demonstrate their ability to use and integrate their acquired knowledge to identify, analyse, and solve financial problems and evaluate, present, and document the result.

The programme consists of the following seven courses:

Foundations of Finance, 7.5 credits

Beginning with a microeconomic foundation to finance, the course offers an in-depth analysis of portfolio choice and equilibrium pricing of financial assets, which serves as a theoretical basis for the program. The course provides the students with a general analytical toolbox, useful for understanding the workings of financial markets, the pricing of new financial products, incentives created by certain kinds of regulation, etc.

Financial Econometrics and Machine Learning, 7.5 credits

The course covers statistical techniques that have immediate applications in finance. It is designed to equip students with relevant knowledge of methods for causal inference, time series analysis and machine learning. The focus is on the ability to apply the methods to finance problems.

Theory of Corporate Finance, 7.5 credits

The course provides an advanced coverage of corporate finance theory. Departing from an efficient markets general equilibrium framework, the course goes on to consider corporate financial policies and decisions, such as capital structure, pay-out policy, debt contracting, IPOs and M&A, in the presence of market imperfections, with emphasis on the constraints imposed by information asymmetries and agency problems. The course also considers the corporate control problem more generally, and how it interacts with various governance mechanisms.

Empirical Finance, 7.5 credits

The course covers empirical models in finance. It begins with an overview of econometric techniques, such as maximum likelihood. The course then gives a presentation of the most important theoretical models in finance and describes the available methods for testing the theoretical hypotheses. The course concentrates on the following issues: properties of asset returns, measuring time-varying volatility, portfolio valuation and asset pricing, market microstructure, event studies, and pricing of fixed income instruments.

Managerial Finance, 7.5 credits

The course provides students with knowledge about corporate valuation. The Discounted Cash Flow-model and its practical applications are covered in depth. The course also deals with the multiples-based approach for valuation (relative valuation). Building on these frameworks, the course then covers corporate decision-making based on valuation principles. The course emphasizes skills in Excel-modelling to support valuation. During the course, students complete a full valuation of a real-world company.

Financial Risk Management, 7.5 credits

The course develops the students' understanding of models for financial risk management and their ability to apply these models to real world problems. The course deals with topics such as the measurement and management of credit risk and Value-at-Risk, and the implications of the Basel regulations.

Degree Project in Finance, 15 credits

In the project paper, students should display their ability to apply, compile, and advance knowledge and skills acquired during the previous courses. Through the project students should demonstrate their ability to identify, analyse, and solve financial problems and to evaluate, present, and document their results.

Additional information in appendix EAGFN Programme structure.

Degree

Degree titles

Degree of Master of Science (60 credits) in Finance

Major: Finance

Filosofie magisterexamen i finans

Huvudområde: Finans

Degree requirements

The degree requirements for a Degree of Master of Science (60 credits) in Finance, major in Finance consists of 60 credits at advanced level. The following must be included in the degree: the courses that comprises the current programme structure (see appendix) which includes the course *NEKN02 Master Essay I – Finance Programme*, 15 credits.

Requirements and Selection method

Requirements

An undergraduate degree (BA/BSc) and at least 90 credits in business administration and/or economics which must include a course in basic microeconomics (can be part of a course in basic economics), a course in intermediate finance, and a course in econometrics or statistics. English 6.

Recommended additional qualifications

The programme requires students to have a basic knowledge of finance and statistics upon admission. We therefore strongly recommend that students have prior knowledge of the following.

- Finance, including net present value, risk and return, diversification, asset pricing, market efficiency, cost of equity, weighted average cost of capital, forwards, futures, swaps, options, hedging, capital structure, dividend policy, information asymmetry, agency costs, interest rates, and exchange rates.
- Financial accounting, including the structure and format of financial statements, analysis and interpretation of accounts, profit measurement, the cost and

revenue concepts, and ratio analysis of financial statements.

- Mathematics, including algebraic rules, solving single and multiple equations, solving quadratic equations, polynomials, exponential function and (natural) logarithms, rules of differentiation, and finding extreme values for a function.
- Microeconomics, including expected utility, preferences, risk aversion, rational choice, market equilibrium, elasticity, and perfect competition. A course in intermediate microeconomics is recommended.
- Statistics, including descriptive statistics, probability, normal distribution, random sampling, hypothesis testing, correlation, and regression analysis.

Selection method

Selection is based on academic merits from university studies. In the assessment, special weight will be given to grades on courses that prepare students for the curriculum of this study programme.

Other information

Programme management

The programme director, who is appointed by the Board of LUSEM, is responsible for the quality development and quality assurance of the programme. The Board of the School also assigns each programme to a host department at LUSEM. The host department is responsible for providing professional services to the students and faculty of the programme.

Each programme also organizes a programme management group, in which student representatives and faculty representatives of the programme, together with the programme director, coordinator and other professional services meet regularly.

All programmes at LUSEM are evaluated yearly and the outcome of a programme scorecard is presented to the Board of the School as part of LUSEM's Quality Development and Assurance system.

Grading scale

At the School of Economics and Management grades are awarded in accordance with a criterion-based grading scale A-U(F):

A (Excellent) 85-100 points/percent. A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

B (Very good) 75-84 points/percent. A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

C (Good) 65-74 points/percent. The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought and lives up to expectations.

D (Satisfactory) 55-64 points/percent. The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

E (Sufficient) 50-54 points/percent. The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

U/F (Fail) 0-49 points/percent. The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

To pass the course, the students must have been awarded the grade of E or higher.

It is up to the teaching professor to decide whether the credits of a course should be converted into a total of 100 points for each course, or if the scale above should be used as percentage points of any chosen scale instead.

Academic integrity

The University views plagiarism very seriously, and will take disciplinary actions against students for any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other unfair practice in examinations or assessments, includes suspension from the University.

Programme structure for Master's Programme in Finance

The programme of 60 credits has the following structure:

Semester 1, Autumn (30 cr)		Semester 2, Spring (30 cr)	
Period1 Sept-Oct	Period 2 Nov-Dec	Period 3 Jan-March	Period 4 Apr-June
<i>Two mandatory courses:</i> Foundations of Finance (7.5 cr) <i>and</i> Financial Econometrics and Machine Learning (7.5 cr)	<i>Two mandatory courses:</i> Theory of Corporate Finance (7.5 cr) <i>and</i> Empirical Finance (7.5 cr)	<i>Two mandatory courses:</i> Managerial Finance (7.5 cr) <i>and</i> Financial Risk Management (7.5 cr)	<i>One mandatory course:</i> Master Essay I – Finance Programme (15 cr)

The School's programme portfolio is continuously developed and sometimes changes to courses may occur after you have accepted your study seat. These changes are usually a result of student feedback, or research development. Changes can take the form of altered course content, teaching formats or assessment styles. Any such changes are intended to enhance the student learning experience. If the programme includes elective courses, students will in most cases be placed in the elective(s) of their choice, but there are no guaranteed places.

1 credit (cr) = 1 ECTS credit