

NAME OF THE COURSE		INVESTMENT BANKING				
Code	ECS508	Year of study	2			
Course teacher	Associate professor Ana Kundid Novokmet, PhD Full professor Marijana Ćurak, PhD	Credits (ECTS)	6			
Associate teachers		Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	Obligatory	Percentage of application of e-learning	30%			
COURSE DESCRIPTION						
Course objectives	To enable students to identify the area of application of investment banking services and to observe ways and procedures for realizing key services from the investment banking domain in order to better manage the company's finances.					
Course enrolment requirements and entry competences required for the course	Requirements for the course enrolment are regulated by the Statute of the Faculty of Economics, Business and Tourism and by the Rulebook of study programs and studying system. Knowledge of basic concepts in the field of financial markets, banking and financial management is required and passed exam from at least one course dealing with the aforementioned areas (in example: Financial Markets, Banking, Banking and Insurance, Financial Institutions and Markets, Financial Management, Stock Exchanges).					
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<p>Course learning outcome:</p> <ol style="list-style-type: none"> 1. Present the types and characteristics of investment banking products and to establish the related procedures. <p>Particular learning outcomes:</p> <ol style="list-style-type: none"> 1. Identify key development stages and features of investment banking. 2. Classify the investment banking activities according to different criteria. 3. Identify the characteristics and procedures related to investment banking activities with securities. 4. Present the investment banking activities in merger and acquisition operations. 5. Identify the features of other investment banking activities. 					
Course content broken down in detail by weekly class schedule (syllabus)	Week	Lectures		Exercise		
		Topics	hours	Topics	hours	
		1	Economic role of contemporary banks. Conventional types of banking.	2	Information about the course. Discussion on the importance of studying investment banking. The basics of contemporary banking.	2
		2	Ethical banking – diametrically opposite concept to investment banking.	2	Discussion of paper in the field of banks social role. Assignment: Comprehension check of the key banking concepts. Presence of the conventional banking concepts in Europe.	2
		3	Investment banking: conceptual definition, content and development.	2	Investment banking: importance and scope in the financial system.	2
4	Investment banking users and providers.	2	Overview of investment banking in developed financial systems.	2		

	5	Comparison of the balance sheet and profit and loss account of traditional and investment banks. Measuring banking business performance.	2	Practical task: Classification of the balance sheet items of traditional and investment bank. Practical tasks: Evaluation of banking business performance.	2
	6	Investment banking in the Republic of Croatia: development and services.	2	Practical task: Classification of investment banking activities and identification of investment banking functions.	2
	7	Types of banking regulation. Issues with the enforcement of banking regulation in practice.	2	Regulatory framework of investment banking in the Republic of Croatia.	2
	8	Securities activities in primary financial markets: equity securities. Specificities of securities issue during initial public share offering.	2	Case study: Initial public offering. Practical tasks: Calculations in case of underwriting shares.	2
	9	Securities activities in primary financial markets: debt securities. Specificities of securities issue in asset securitization. Other credit derivatives.	2	Discussion of paper in the field of role of the credit rating agencies in debt securities issuance and co-responsibility for the global financial crisis.	2
	10	Organization activities, consulting, and merger and acquisition financing. Determining company value.	2	Trends in mergers and acquisitions – global perspective. Determinants of (un)successful mergers and acquisitions: overview of empirical conclusions. Discussion of paper in the field of due diligence.	2
	11	Other aspects of merger and acquisition operations. Regulatory framework of M&A. Success of business combinations. Hostile acquisitions defensive measures.	2	Case study: evaluation of business combinations success. Defensive measures against hostile acquisitions.	2
	12	Other activities in the area of investment banking.	2	Selected financial innovations in the contemporary banking.	2
	13	Investment banking and financial crisis.	2	Selected topic in the field of banking (in)stability.	2
Format of instruction	<input type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input type="checkbox"/> exercises <input type="checkbox"/> on line in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)		
Student responsibilities	To attain a signature, student has to regularly attend course – for the full-time student, minimum is 60% of lectures and exercises, and for the part-time student, minimum is 30% of lectures and exercises.				
Screening student work (name the proportion of ECTS credits for each)	Class attendance	1	Research		Practical training
	Experimental work		Report		Self-evaluation tests

2022./2023.

30/09/22 – 19. Sj. FV

activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Essay		Seminar essay		(Other)	
	Tests	5*	Oral exam		(Other)	
	Written exam	5	Project		(Other)	
Grading and evaluating student work in class and at the final exam	<p>Two written tests, written exam. The exam is conducted by the course teacher. The student can pass the exam if he/she passes both tests. In addition, the student's activity in the exercises will be evaluated. Students who are actively involved in exercise discussions, problem-solving and case studies and/or correctly write and present the paper on the topics offered can increase the final grade.</p> <p>* Positive assessment of both tests replaces the final written exam.</p> <p>During the semester there will be two written tests. A positively evaluated first written test is a requirement for the student's admission on second test. A student who achieves a positive assessment from both tests is not required to undertake the final written exam. The final grade is formed as the average grade of written tests scores and can be increased in case of special student's engagement in the exercises.</p> <p>Exam dates will be defined by exam calendar. Written exam consists of 10 questions/question blocks. Each answer is evaluated with maximum 10 points. For positive assessment, the student has to achieve minimum of 55 points. Score thresholds and corresponding grades for written exams: 55-69 points = sufficient (2); 70-79 points = good (3); 80-89 points = very good (4) and 90-100 points = excellent (5).</p>					
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media	
	Kundid Novokmet, A. Course materials.			/	Moodle	
	Kundid, A. (2014) <i>Etičko bankarstvo – novi koncept bankarstva</i> , poglavlje u Ćurak, M., Kundid, A. i Visković, J. (ur.) <i>Financije nakon krize: forenzika, etika i održivost</i> , Split: Sveučilište u Splitu, Ekonomski fakultet, str. 243-264.			12	Moodle/Internet	
	Kundid, A. (2014) <i>Uzroci trajne neučinkovitosti bankovne regulacije</i> , poglavlje u Ćurak, M., Kundid, A. i Visković, J. (ur.) <i>Financije nakon krize: forenzika, etika i održivost</i> , Split: Sveučilište u Splitu, Ekonomski fakultet, str. 1-23.			12	Moodle/Internet	
	Kundid Novokmet, A. (2019) <i>Zdravlje bankarskog sektora</i> , poglavlje u Rimac Smiljanić, A., Šimić Šarić, M. i Visković, J. (ur.) <i>Financijska kretanja – najnoviji događaji i perspektive</i> , Split: Sveučilište u Splitu, Ekonomski fakultet, str. 197-220.			/	Moodle/Internet	
	Rose, P. S., Hudgins, S. C. (2015) <i>Upravljanje bankama i financijske usluge</i> . Zagreb: MATE. Rose, P. S., Hudgins, S. C. (2013) <i>Bank Management & Financial Services</i> . USA: McGraw-Hill.			12	/	
	Selected articles and materials for discussion and seminars.			/	Moodle	
Optional literature (at the time of submission of study programme proposal)	<ol style="list-style-type: none"> Liaw, K. T. (2011) <i>The Business of Investment Banking: A Comprehensive Overview</i>. 3rd ed. SAD: Wiley. Fleuriet, M. (2018) <i>Investment Banking Explained: An Insider's Guide to the Industry</i>. McGraw Hill. Linton, E. D. (2020) <i>Foundations of Investment Management: Mastering Financial Markets, Asset Classes, and Investment Strategies</i>. J. Ross Publishing. Beck, T., Casu, B. (eds.) (2016) <i>The Palgrave Handbook of European Banking</i>. UK: Palgrave MacMillan. Ayadi, R., Cucinelli, D., de Groen, W. P. (2019) <i>Banking Business Models Monitor – Europe: Performance, Risk, Response to Regulation and</i> 					

	<p><i>Resolution: 2005-2017</i>. Cass Business School. https://www.ceps.eu/ceps-publications/banking-business-models-monitor-2019-europe/</p> <p>6. Kundid Novokmet, A., Matković, M. (2020) <i>Anticipating a Reverse Mortgage Adoption in Croatia</i>, Studies in Business and Economics, Vol. 15, No. 3, pp. 132-151.</p> <p>7. Grubišić, M. (2011) <i>Financiranje poduzeća na hrvatskom tržištu kapitala</i>. Doktorska disertacija. Zagreb: Ekonomski fakultet.</p> <p>8. Rosenbaum, J., Pearl, J. (2013) <i>Investment Banking + Valuation Models: Valuation, Leveraged Buyouts, and Mergers & Acquisitions</i>. Wiley.</p> <p>9. Rosenbaum, J. i Pearl, J. (2013) <i>Investment Banking Workbook</i>. Wiley.</p> <p>Official website of the Zagreb Stock Exchange. Official website of the Croatian Financial Services Supervisory Authority. Official website of the Croatian National Bank.</p>
<p>Quality assurance methods that ensure the acquisition of exit competences</p>	<ul style="list-style-type: none"> • Monitoring the class attendance and execution of other student's obligations (Teacher) • Teaching Supervision (The Vice-Dean for academic and student affairs) • Analysis of the studying performance for all courses of the study program (The Vice-Dean for academic and student affairs) • Student survey on the quality of teachers and teaching for each course of the study program (UNIST, Centre for Quality Improvement) • All learning outcomes of the course are examined by the examination conducted by the course teacher. • Periodic examination of the content of the exam is conducted in order to verify the appropriateness of the method of validating the learning outcomes (The Vice-Dean for academic and student affairs).
<p>Other (as the proposer wishes to add)</p>	<p>Lectures in Croatian language.</p>