

# **SCLE Revision:**

## **Investment Management and Corporate Finance (Module 12)**



## Contents

Programme Objective .....	3
Programme Overview .....	3
Learning Outcome.....	4
Candidates' Prerequisites .....	<b>Error! Bookmark not defined.</b>
Methodology.....	4
Programme Details.....	5

## **Programme Objective**

This course equips participants with comprehensive understanding and knowledge based on the Module 12 Study Outline. Participants will advance their knowledge and comprehension further via an interactive teaching and learning experience while increasing their confidence in sitting for the examination. This course will be facilitated by an experienced and qualified trainer.

## **Programme Overview**

This 3-day course is designed to match the licensing study outline for Module 12 on investment management and corporate finance. It covers the fundamental aspects of investment, economic and market value added, financial statement analysis, valuations, derivatives and corporate exercises.

## Learning Outcome

Candidates are expected to have good knowledge, understanding and ability to apply in the following areas:

- Investment environment of the Malaysian capital market
- Economic fundamentals
- Inter-relationship between corporate finance, investment and strategic management
- Concept of shareholder value and its determinants
- Techniques of financial statement analysis and use of various ratios to gain insights into a company's performance measure
- Methods of computing economic value added and market value added
- Concept of time value of money and opportunity cost of capital
- Capital budgeting techniques used in making project decisions
- Relationship between risks and returns and how they are measured
- Levels and implications of market efficiency on technical and fundamental analysis and portfolio management
- Basic portfolio theory principles
- Process of portfolio management and evaluation of its performance
- Common forms of financing and factors to consider in determining the optimal capital structure
- Financing decisions which covers debt financing, equity financing and dividend policy
- Definitions of value and role of valuation
- Valuation methodologies and their limitations
- Various forms of derivatives used to hedge financial risks arising from both the investment and financing decisions of a company
- Interaction of financing and investment decisions in corporate exercises such as corporate restructuring, mergers and acquisitions

## Candidates' Prerequisites

Candidates are expected to have relatively strong capability in the application and analysis of information provided in this outline and its reference.

## Methodology

This course will be delivered using effective learning methods which include presentations, discussions and review examination questions.

## Programme Details

### Venue

Securities Commission (SC)

### Target audience

Candidates preparing for the Module 12 licensing examination  
New entrants to the capital market industry and staff of investment banks

### Number of participants

Maximum of 25 participants

### Duration

3 days:

0900 – 1730 (Day 1)

0900 – 1730 (Day 2)

0900 – 1730 (Day 3)

### Trainer

To be advised upon confirmation

# Investment Management and Corporate Finance (Module 12)

<b>PROGRAMME - DAY ONE</b>	
8.30 am	Registration
9.00 am	<p><b>Overview of the Investment Environment</b></p> <ul style="list-style-type: none"> <li>• Development of the Capital Market and its Technology</li> <li>• The Malaysian Markets</li> <li>• Growth of Capital Market Products and Services in Malaysia</li> <li>• Regulatory Framework of the Malaysian Capital Market</li> </ul> <p><b>Fundamentals of Economics</b></p> <ul style="list-style-type: none"> <li>• Economic Fundamentals</li> <li>• The Real Economy</li> <li>• The Public Sector</li> <li>• Monetary Policy</li> <li>• The International Sector</li> <li>• International Economics</li> <li>• Economic Analysis and Investment Strategy</li> <li>• Economic Indicators – Usefulness and Practicality for Market Participants</li> </ul>
10.45 am	Refreshments
11.00 am	<p><b>Strategic Management</b></p> <ul style="list-style-type: none"> <li>• Overview of Strategic Management</li> <li>• Linking Corporate Finance with Strategic Management</li> <li>• Shareholder Value</li> </ul> <p><b>Financial Statement Analysis and Performance Measurement</b></p> <ul style="list-style-type: none"> <li>• The Importance of Financial Statement Analysis</li> <li>• Financial Statement Analysis</li> <li>• Economic Value Added</li> <li>• Market Value Added</li> </ul> <p><b>Risks and Returns</b></p> <ul style="list-style-type: none"> <li>• Present Value and Opportunity Cost of Capital</li> <li>• Capital Budgeting</li> <li>• Measurement of Risk</li> <li>• Measurement of Investment Returns</li> </ul>
1.00 pm	Lunch
2.00 pm	<p><b>Portfolio Theory</b></p> <ul style="list-style-type: none"> <li>• Risk Aversion and Utility</li> <li>• Markowitz Portfolio Theory</li> <li>• Capital Asset Pricing Model</li> <li>• Arbitrage Pricing Theory</li> </ul>
3.45 pm	Refreshments
4.00 pm	<p><b>Portfolio Management</b></p> <ul style="list-style-type: none"> <li>• Market Efficiency</li> <li>• Security Analysis</li> <li>• An Introduction to Portfolio Management</li> <li>• Evaluation of Investment Performance</li> <li>• The Stakeholder Theory</li> </ul>

## Investment Management and Corporate Finance (Module 12)

	<b>Financing Decisions</b> <ul style="list-style-type: none"><li>• The Financing Decision</li><li>• Capital Structure</li><li>• Financial Decisions in a Perfect Market</li></ul>
5.30 pm	End of Day One

## Investment Management and Corporate Finance (Module 12)

<b>PROGRAMME - DAY TWO</b>	
8.30 am	Registration
9.00 am	<p><b>Debt Financing</b></p> <ul style="list-style-type: none"> <li>• Key Categories of Debt Financing Services</li> <li>• Valuation of Bonds</li> <li>• Price Volatility</li> <li>• Convertible Bonds Quiz and Summary</li> </ul> <p><b>Equity Financing</b></p> <ul style="list-style-type: none"> <li>• Types of Equity Financing</li> <li>• Valuation of Equity</li> <li>• Effects on Corporate Exercises</li> </ul>
10.45 am	Refreshments
11.00am	<p><b>Dividend Policy</b></p> <ul style="list-style-type: none"> <li>• Definition of Dividend Policy</li> <li>• Dividend Theories</li> <li>• Dividend Policy Issues</li> <li>• The Dividend Policy</li> <li>• Other Forms of Dividend</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>• The Role of Valuation</li> <li>• What is Value?</li> <li>• Valuation Models, Approaches and Applications</li> <li>• Discounted Cash Flow Valuation</li> <li>• Dividend Discount Model</li> <li>• Relative Valuation</li> <li>• Asset-based Valuations</li> <li>• Discounts, Premiums and other Considerations</li> <li>• Alternative Valuation Models</li> </ul>
1.00 pm	Lunch
2.00 pm	<p><b>Options</b></p> <ul style="list-style-type: none"> <li>• Definition and Concept of Options</li> <li>• Trading of Options</li> <li>• Option Payoffs</li> <li>• Option Strategies</li> <li>• Option Valuation</li> <li>• Options in Portfolio Management</li> </ul>
3.45 pm	Refreshments
4.00 pm	<p><b>Swaps and Interest Rate Options</b></p> <ul style="list-style-type: none"> <li>• Definition and Concept of Swaps</li> <li>• Types of Swaps</li> <li>• Other Options on Debt Instruments and Interest Rates</li> </ul>
5.30 pm	End of Day Two



## Investment Management and Corporate Finance (Module 12)

<b>PROGRAMME - DAY THREE</b>	
8.30am	Registration
9.00am	<b>Futures</b> <ul style="list-style-type: none"> <li>• Definition and Concept of Futures</li> <li>• The Futures Market</li> <li>• Futures Pricing Review</li> <li>• Commodity Futures</li> <li>• Equity Futures</li> <li>• Interest Rate Futures</li> <li>• Bond Futures</li> </ul>
10.00am	Refreshments
10.15am	<b>Structured Products</b> <ul style="list-style-type: none"> <li>• What is a Structured Product?</li> <li>• Issuers of Structure Products in Malaysia</li> <li>• Uses and Benefits of Using Structured Products</li> <li>• Components of a Structured Product</li> <li>• Features and Payout Structures of Structured Products</li> <li>• Risks of Investing in Structured Products</li> </ul>
1.00pm	Lunch
2.00pm	<b>Corporate Restructuring and Mergers and Acquisitions</b> <ul style="list-style-type: none"> <li>• Types of Corporate Restructuring Exercises</li> <li>• Mergers and Acquisitions</li> <li>• Divestitures</li> <li>• Leveraged Buyout</li> <li>• Capital Reduction and Consolidation</li> <li>• Recapitalisation</li> <li>• Liquidation and Winding-up</li> <li>• Schemes of Arrangement and Reconstruction</li> <li>• Motives and Determinants</li> <li>• Regulatory Framework</li> <li>• International Mergers and Acquisitions</li> </ul>
3.30pm	Refreshment
3.45pm	Revision and Feedback Session on Set of Questions
5.30pm	End of Day Three