



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

## Faculty of Economic and Management Sciences

Fakulteit Ekonomiese en Bestuurswetenskappe  
Lefapha la Disaense tša Ekonomi le Taolo

**Department of Financial Management**  
**BComHons Investment Management (07240208)**  
**2023**

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# 1 INTRODUCTION

Welcome to the Department of Financial Management. This brochure contains important information regarding the BComHons Investment Management programme offered by the Department of Financial Management:

The purpose of the programme is to expose students to the theoretical principles and practical application of investment decision-making at a high level. A multidisciplinary approach is followed and financial, economic and statistical principles are incorporated with the aim of improving the investment decision-making process. The programme has an analytical and scientific basis and is aimed at enabling students to comply with the demands of the rapidly changing local and international investment environment.

The programme contains a strong practical and research focus. Students are required to complete an equity project and present their results to a panel comprising academics and practitioners. They are also guided through the process of setting up a fund-of-funds and have to present on the different stages of the entire process, including mandate and supplemental deed, investment strategy, asset allocation, research on market conditions and fund selection, and designing a minimum disclosure document. For the research component, they complete research reports on topics provided by supervisors.

## 2 REQUIREMENTS FOR ADMISSION TO HONOURS STUDY

An applicant must meet the following criteria to be eligible:

- Faculty admission requirements;
- Degree-specific admission requirements and
- Requirements specific to international applicants.

**Should an applicant not submit all the required supporting documents by the admission deadline, the application will be deemed “Incomplete” and will not be evaluated by the Department of Financial Management.**

### 2.1 FACULTY ADMISSION REQUIREMENTS

The following admission requirements are applicable to all applicants who wish to be considered for a BComHons degree at the University of Pretoria, Faculty of Economic and Management Sciences:

- Mathematics at Grade 12 level or another qualification in Mathematics, Statistics or Mathematical statistics deemed adequate by the head of department.
- A pass mark in the following modules (or equivalent as deemed by faculty administration):
  - Financial Accounting 1;
  - Economics 1;
  - Statistics 1; and
  - One of the following:
    - Business management 1; or
    - Marketing management 1; or
    - Public administration 1; or
    - Industrial and organisational psychology; or

- Equivalent modules passed at another institution as approved by the Departmental Postgraduate Selection Committee in consultation with the Dean.
- The Departmental Postgraduate Selection Committee concerned, reserves the right to set additional admission requirements.

## 2.2 DEGREE SPECIFIC ADMISSION REQUIREMENTS

Prerequisites for admission to the degree BComHons Investment Management	
<b>Applicants</b>	<b>Minimum criteria for admission:</b>
<b>Current final year students from the University of Pretoria.</b>	<ul style="list-style-type: none"> <li>• Completed BCom (Investment Management) degree<sup>#</sup> <i>before</i> commencement of the Honours degree; <i>and</i></li> <li>• A weighted average of 65%, or 60% for Statistics specialisation, for all final year modules passed in the <u>same</u> year.</li> </ul> <p># or BCom (Statistics and Data Sciences) Option: Investment Management</p> <p><b>NB: Closing date for applications: 31 October 2022</b></p>
<b>Applicants from other Universities, or students from the University of Pretoria who did not complete their degrees in the year preceding the Honours year, or final year students from the University of Pretoria who did not specialize in Investment Management.</b>	<ul style="list-style-type: none"> <li>• Completed BCom (Investment Management) or equivalent qualification <i>before</i> commencement of the Honours degree; <i>and</i></li> <li>• A weighted average of 65% for all final year modules passed in the <u>same</u> year; including the following modules (<i>or</i> modules with equivalent content deemed to be acceptable by the Head of the Department of Financial Management): <ul style="list-style-type: none"> <li>- Investment Management; <i>and</i></li> <li>- Corporate Finance; <i>and</i></li> <li>- Accounting;</li> </ul> </li> <li>• <b>Complete Appendix A which is to accompany your application form.</b></li> </ul> <p><b>NB: Closing date for applications: 31 October 2022</b></p>
<b>International applicants</b>	<ul style="list-style-type: none"> <li>• Completed BCom (Investment Management) or equivalent qualification <i>before</i> commencement of the Honours degree; <i>and</i></li> <li>• A weighted average of 65% for all final year modules passed in the same year; including the following modules (<i>or</i> modules with equivalent content deemed to be acceptable by the Head of the Department of Financial Management): <ul style="list-style-type: none"> <li>- Investment Management; <i>and</i></li> <li>- Corporate Finance; <i>and</i></li> <li>- Accounting;</li> </ul> </li> <li>• <b>Complete Appendix A which is to accompany your application form.</b></li> </ul> <p><b>NB: Closing date for applications: 31 August 2022</b></p>
<b>Applicable to all applicants</b>	<ul style="list-style-type: none"> <li>• Only applicants that meet the above requirements may be invited to write the Investment Management Entrance Evaluation (See <b>Appendix B</b> for an overview of the evaluation).</li> <li>• This program is number limited*. The department receives a substantial number of applications of which many meet the minimum admissions requirements. In this instance, applicants with the highest average for IVM 300 and/or the entrance evaluation will be admitted.</li> </ul> <p>*Subject to infrastructure constraints and supervisory capacity of research projects in the field of specialisation in the department.</p>

## 2.3 REQUIREMENTS SPECIFIC TO INTERNATIONAL APPLICANTS

- All prospective international applicants must acquire a SAQA evaluation of their degree certificates before submitting an application to the University of Pretoria. See: <https://www.saqa.org.za>
- All prospective international applicants must also pass an English Language Proficiency test before submitting an application to the University of Pretoria. You may either write the TOEFL test or the IELTS test. See: <http://www.toefl.org> (tel. +27 11 713 0600) or <http://www.ielts.org>.
- The Departmental Postgraduate Selection Committee concerned, reserves the right to set additional admission requirements.
- International students should start the VISA application process and gather all relevant documentation well in advance in order to avoid any VISA approval delays. Students who are not present at the introductory information session shortly before the official start of the academic year (end of January/early February), may lose their place in the Honours program.
- Please contact Mrs Jenny Lambinon at [jenny.lambinon@up.ac.za](mailto:jenny.lambinon@up.ac.za) or 012 420 4024 for assistance regarding visa applications and required documentation.

## 3 APPLICATION PROCESS AND CLOSING DATES

The following section describes the application process. It includes relevant closing dates, an application checklist and contact information should you have any specific queries.

**See Appendix C and E for the steps to Apply Online. Appendix C is applicable to final year students at the University of Pretoria; Appendix E is applicable to students from other universities or that are not currently studying at the University of Pretoria.**

### 3.1 GENERAL

Applicants must complete an application for *every degree* they wish to be considered for. Should an applicant for example, wish to apply for BComHons Financial Management Sciences, BComHons Investment Management and BComHons Economics, an application for each of the degree programs is required. **Each application must include a full academic record including proof of registration for all current year modules.**

### 3.2 TIMELINE AND CLOSING DATES

Date	Event
31 August 2022	Closing date for international applications
31 October 2022	Closing date for all other applications
November/December 2022	Entrance evaluation exam
mid-December 2022 to February 2023	Final selection concluded by Department and Faculty Administration. Communication of application status via the UP Portal. Please refer to Appendix D.
2023 Academic Year	Admitted students may register.
Late January/Early February 2023	Information session Lectures are presented during office hours

### 3.3 APPLICATIONS ENQUIRIES

- **For difficulties associated with your application, please contact:**  
Ms Lerato Krappie at 012-420-5387 or [lerato.krappie@up.ac.za](mailto:lerato.krappie@up.ac.za).
- **Information regarding application forms, closing dates, fees, etc.:**  
Client Services Center: University of Pretoria  
Tel: 012 420 3111 or [ssc@up.ac.za](mailto:ssc@up.ac.za)

### 3.4 ENTRANCE EVALUATION (IF APPLICABLE)

Please note that only applicants that meet the degree-specific admission requirements as mentioned in Section 2.2 will be invited to write the entrance evaluation.

The date, time, and venue will be confirmed closer to the time. For information regarding the structure and content of the entrance evaluation see **Appendix B**.

#### **IMPORTANT:**

Applicants can only write the entrance evaluation on the UP campus on the date and time specified. It is the applicant's responsibility to ensure availability. No special arrangements regarding different times or locations can be accommodated.

## 4 FINANCIAL SUPPORT TO POSTGRADUATE STUDENTS

For information regarding postgraduate scholarships, please contact visit:

<https://www.up.ac.za/funding>

**For quotations on tuition fees** dial 012 420 3111. Listen to the prompts and select option 2 for account queries. Have your UP student number ready.

## 5 GENERAL ENQUIRIES

General enquiries can be sent to Mrs Abigail Shaw e-mail: [dfmhonours@up.ac.za](mailto:dfmhonours@up.ac.za)

## 6 REGISTRATION FOR HONOURS STUDIES

Please refer to faculty communication for online registration. Note especially the times when candidates must submit their completed registration forms **after payment of the applicable deposits**. **For online registration and contract enquiries, please contact** Ms Lerato Krappie at 012-420 5387 or [lerato.krappie@up.ac.za](mailto:lerato.krappie@up.ac.za).

## 7 PROGRAMME CURRICULUM

	Modules	Credits
FIN 704	Research Report 704	30
FIN 705	Asset Valuation 705	30
FIN 706	Portfolio Management 706	30
FIN 707	Quantitative Investment Analysis 707	30
Total		120

**Note: All modules are compulsory**

## 8 FULL TIME VERSUS PART TIME STUDENTS

A full-time student is a student who intends to complete the BComHons degree in one year, while a part-time student does so over two consecutive years. It is recommended that a student with part-time work commitments complete the degree over two consecutive years.

A student who registers as a full-time student in the first academic year may, due to whatever reason (i.e. work opportunity, etc.), decide to deregister certain modules and continue part-time, therefore completing the degree over two years. Do note that this may result in fees still being due for deregistered modules in the applicable academic year.

If deciding to study **part-time**, we recommend that the **FIN 705 and FIN 707** modules are taken in the first year of study.

**Note that a student for an honours degree must however complete his or her study within two consecutive years.**

## 9 LECTURE TIMES AND DATES

The honours lecture timetable as well as the test timetable will be made available at the beginning of the 2023 academic year.

Classes are presented during the day. As such, students must be available Monday to Friday between 8 am and 6 pm.

## 10 LANGUAGE MEDIUM

The programme is presented in English.

## 11 MODULE CONTENT

### 11.1 RESEARCH REPORT (FIN 704)

- The role of research in the organization
- Conceptualizing scientific thinking
- The research process
- Research planning and design
- Data collection and analysis
- Research report

## **11.2 ASSET VALUATION 705 (FIN 705)**

- Valuation of equity
- Valuation of fixed income
- Valuation of derivative instruments

## **11.3 PORTFOLIO MANAGEMENT 706 (FIN 706)**

- Portfolio management.
- Behavioural finance;
- Corporate governance and ESG;
- Ethics within the investment environment;

## **11.4 QUANTITATIVE INVESTMENT ANALYSIS (FIN 707)**

- The time value of money;
- Discounted cash flow applications;
- Organising, visualising and describing data;
- Probability concepts;
- Common probability distributions;
- Sampling and estimation;
- Return concepts;
- Portfolio performance evaluation
- Hypothesis testing;
- Introduction to linear regression;
- Multiple regression;
- Time-series analysis;
- Multifactor models;
- Portfolio concepts;
- Measuring and managing market risk
- Backtesting and simulation.

## **12 PROFESSIONAL QUALIFICATION**

### **12.1 CHARTERED FINANCIAL ANALYST® PROGRAM (CFA®)<sup>1</sup>**

The Chartered Financial Analyst® Program is administered by CFA Institute® and focuses on the investment professional. CFA Institute aims to provide global leadership in investment education and sustain high standards of professional conduct and the CFA® Program forms part of this philosophy.

The program covers various disciplines that have been identified as critical areas in the investment environment such as Economics, Quantitative Analysis, Corporate Finance, Derivatives, Equities, Bonds, Portfolio Management, Ethical and Professional Standards.

The charter is awarded to candidates who pass all three levels of the program and has 4 years applicable working experience within the investment environment (as set out in the requirements of the CFA® Program). Individuals specializing in the investment environment are encouraged to further

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<sup>1</sup> CFA and CFA Institute are registered trademarks of CFA Institute.



their education by completing a professional program such as the CFA® Program.

More information:

- CFA Institute: [www.cfainstitute.org](http://www.cfainstitute.org)
- CFA South Africa [www.cfa.ac.za](http://www.cfa.ac.za)

The undergraduate BCom (Investment Management) degree is an affiliated program with CFA Institute and UP has a limited number of scholarships that we can award, at our discretion, to prospective candidates. The Department of Financial Management has set minimum criteria for the scholarships.

# APPENDIX A

## MODULE COMPARISON

UNIVERSITY OF PRETORIA DEGREE	YOUR DEGREE
MODULE (Summary of Curriculum)	Module(s) Name corresponding with UP modules (Add copy of your Curriculum)
<b>Investment Management II</b>	
<b>(IVM 200) Investment Management 200 (3 l.p.w)(year module)(32 credits)</b>	
Functioning of the South African financial system, interest bearing instruments, issuers, institutions and valuation, types of risk and measuring risk, types of return and measuring return, share markets, Financial Market regulation, trading activities in the equity market, share price indices, valuation of ordinary shares, and the fundamental analysis of ordinary shares, industry analysis, technical analysis of shares, investment objectives and investment process, asset allocation, local and international bond markets, bond fundamentals, valuation of bonds, mathematics of fixed interest securities, structure of interest rates and yield curves, duration, convexity, introduction to derivatives.	
<b>Investment Management III</b>	
<b>(IVM 300) Investment Management 300 (3 l.p.w.)(year module)(40 credits)</b>	
Efficient market hypothesis, portfolio management, asset allocation, construction of efficient investment portfolios, asset pricing models (CAPM and APT), equity portfolio management strategies, performance evaluation of investment portfolios, restructuring of investment portfolios, measuring of financial risk exposure, futures market in South Africa, the use of futures contracts in financial risk management, pricing and the valuation of futures contracts, swaps and forward rate agreements, option markets in South Africa and the valuation of options, option payoffs and trading strategies, warrants and convertible securities, alternative evaluation techniques, real estate investment, venture capital, rights issues and capitalisation issues, immunisation, switching and trading strategies in the bond market, fixed income portfolio strategies, Ethics	

## **APPENDIX B**

### **UNIVERSITY OF PRETORIA DEPARTMENT OF FINANCIAL MANAGEMENT**

#### **EVALUATION OF PROSPECTIVE HONOURS STUDENTS IN INVESTMENT MANAGEMENT – 2022**

##### **1. PURPOSE OF THE EVALUATION**

The purpose of the evaluation of prospective students is to ensure that candidates have the necessary insight in the subject matter and language proficiency to be admitted to the degree.

##### **2. STRUCTURE**

The paper consists of three sections:

Section A: 80 multiple choice questions

Section B: Open ended questions

Section C: Written essay on a current market related topic

##### **3. TOPICS COVERED**

- Ethical Practices
- Time Value of Money
- Technical Analysis
- Business Cycles
- Currency Exchange Rates
- Monetary and Fiscal Policy
- Impact of Economic Factors on Investment Markets
- Analysis of Financial statements
- Types of Equity Securities and their Characteristics
- Equity Markets: Characteristics, Institutions, and Benchmarks
- Fundamental Analysis (Sector, Industry, Company) and the Valuation of Individual Equity Securities
- Equity Market Valuation and Return Analysis
- Types of Fixed Income Securities and their Characteristics
- Fixed Income Markets: Characteristics, Institutions, and Benchmarks
- Fixed Income Valuation (Sector, Industry, Company) and Return Analysis
- Term Structure Determination and Yield Spreads
- Analysis of Interest Rate Risk
- Types of Derivative Instruments and their Characteristics
- Portfolio Concepts
- Management of Individual/Family Investor Portfolios
- Unit trusts, Pooled Funds, and ETFs

- Economic Analysis and Setting Capital Market Expectations
- Asset Allocation

### **Portfolio Construction and Revision**

- Equity Portfolio Management Strategies
- Fixed Income Portfolio Management Strategies
- Performance Evaluation

## **1. SUGGESTED BOOKS**

- Van Zyl, C., Botha, Z. Skerritt, P. & Goodspeed, I. 2015. *Understanding South African Financial Markets*. 5<sup>th</sup> edition. Van Schaik Publishers. (ISBN 978-0-627-03305-6)
- Reilly, F.K. & Brown, K.C. 2015. *Analysis of Investments and Management of Portfolios*. Europe, Middle East and Africa Edition. CENGAGE Learning. (ISBN-13:978-1-4737-0479-4).
- Hull, C. 2014. *Fundamentals of Futures and Options Markets*. New International Edition. 8<sup>th</sup> edition. Pearson (ISBN: 978-1-29204-190-2)

## **2. DURATION**

2½ hours for section A and B. 30 Minutes for Section C.

## **3. DECISION**

The decision of the Department of Financial Management is final.

## APPENDIX C

### ONLINE APPLICATION

#### FINAL YEAR STUDENTS AT THE UNIVERSITY OF PRETORIA

Instructions:

1. Step 1 - go to your *Student Services Center*
2. Step 2- click on *Internal application and follow the prompts*

To ensure that your application was sent of successfully, return to the Student Services Center and scroll down to *Admission Status*. The course (s) for which you applied will appear there.

Students from other universities or that are not currently studying at the University of Pretoria, see Appendix E.

## APPENDIX D

### APPLICATION STATUS

To view whether your honours application has been accepted or declined, kindly follow these steps:

1. Log into the UP Portal at [www.up.ac.za](http://www.up.ac.za)
2. Click on "MyUPLogin"
3. Enter your username which is normally a "u" or a "p" and then your student number. If you are a new user and do not have a password yet, click on new user and follow the prompts.
4. Once you have logged into the **UP Portal**, click on "**Student Centre**".
5. Click on **Admission status**, in order to view the status of your application.

## APPENDIX E

### ONLINE APPLICATION

#### STUDENTS FROM OTHER UNIVERSITIES OR THAT ARE NOT CURRENTLY STUDYING AT THE UNIVERSITY OF PRETORIA

Instructions:

1. Go to **www.up.ac.za**
2. Click on >> **Study** >> Apply
3. Then click on **Apply** and **Apply now** , and follow the prompts

Final year students at the University of Pretoria see Appendix C.