
FOUNDATION MODULE

- 1) FINANZANALYTIKER UND VERMÖGENSVERWALTER**
- 2) FINANZ- UND ANLAGEEXPERTEN**
- 3) EXPERTEN IN FINANZMARKTOPERATIONEN**

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1. Foundation Module erstes Semester

1.1 Finanzanalytiker und Vermögensverwalter

Financial Accounting and Financial Statement Analysis

- Financial reporting environment (Financial reporting environment, Financial reporting issues)
- Framework for the preparation and presentation of financial statements (Objective of financial statements, Accounting conventions, Fundamental definitions, Criteria for accounting recognition)
- Statement of cash flows (Rationale for the statement of cash flows, Relation between income flows and cash flows)
- Income recognition (Criteria for revenue recognition, Long-term construction contracts, Criteria for expense recognition, Accounting for stock options and similar benefits)
- Assets, liabilities and shareholders equities (Assets, Liabilities, Shareholders' equity, Provisions)
- Foreign currency transactions (Foreign currency transactions, Translation of financial statements into a foreign currency, Hyperinflationary economies)
- Financial reporting and financial statement analysis (Income vs cash flow, Quality of earnings, earnings management, Earnings per share)
- Analytical tools for assessing profitability and risk (Adjusting the reported financial data, Time series and common size analysis. Ratio analysis)

Equity Valuation and Analysis

- Equity markets and structures (Types of equity securities, Indices)
- Valuation model of common stock (Dividend discount models, Free cash flow model, Measure of relative value)

Corporate Finance

- Fundamentals of corporate finance (Goals of corporate finance, The finance function and the firm's objectives, Role of the financial managers, Principles of valuation, Discounted cash flow, Capital budgeting)
- Long-term finance decision, Investment decision, Project evaluation)
- Capital structure and dividend policy (Leverage and the value of the firm, Dividend policy)

Fixed Income Valuation and Analysis

- Fundamentals: the debt instrument concept (Economic role of bond issues, Bond issuers, Bond characteristics, Preferred stocks)
- Time value of money (Time value of money, Bond yield measures, Term structure of interest rates, Bond price analysis, Risk measurement, Usage)
- Bonds with warrants (Investment characteristics, Value of a warrant)
- Convertible bonds (Investment characteristics, Value of conversion benefits, Investment strategies)
- Callable bonds (Investment characteristics)
- Fixed income portfolio management strategies (Active management, Passive management)

Economics

- Macroeconomics (Major macroeconomic concepts and variables, The basic model of the real market in a closed economy, The basic model of the financial market in a closed economy, The IS-LM model, The labour market, General equilibrium in the real, financial and labour markets)
- Macro dynamics (Inflation versus unemployment)
- Open-economy macroeconomics (The balance of payments, The exchange rate, Exchange rate, prices and interest rates)

Derivative Valuation and Analysis

- Futures and forward contracts (Characteristics of forward and futures contracts, Mechanics of trading in futures markets, Various futures contracts, Futures valuation and analysis, Hedging strategies using futures)
- Options (Characteristics of option contracts, Options valuation, Option pricing models, Binomial option pricing model, Sensitivity analysis of options premiums)

Portfolio Management

- Modern portfolio theory (Risk/return framework, Portfolio theory, Capital asset pricing model, Index and market models)
- Investment policy (Individual investors, Institutional investors)
- Asset allocation (Asset allocation overview, Type of asset allocation)
- Asset/liability-analysis and management (Modelling assets, Modelling liabilities, Surplus and funding ratios, Integrated optimization, Implementation of strategies)
- Practical portfolio management (Derivatives in portfolio management, International investments)
- Performance measurement and evaluation (Risk-return measurement, Risk-adjusted performance measures)
- Sustainable and responsible investment (SRI)
 - Concept of sustainability and SRI (Basics on sustainability, Definition in the investment context, Drivers for SRI)
 - SRI-strategies (Core SRI strategies vs. broad SRI strategies, Towards a mainstreaming of SRI strategies)
 - SRI from a portfolio management perspective (SRI strategies in a portfolio management context, SRI performance: portfolio and firm-level, EFA KPIs)

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1.3 Experten in Finanzmarktoperationen

Organisation of the financial sector and of a bank:

- Organisation of the financial sector (The role of capital markets, The main segments of capital markets, The main participants on the capital market The principal functions of financial intermediaries, The role of rating agencies (included the social and environmental rating agencies))
- Organisation of a bank (Business models, Role of functional groups)

Dealing:

- Participants in the order execution chain
- Orders
- Transaction pricing
- Role of agent versus principal in the execution of customers' orders
- The concept of best execution
- General principles of market regulation
- Trading supervision and market abuse
- Important post-trade data

Booking:

- Data to be validated and reconciled
- Data to be calculated by the invoicing department
- Transmission of confirmation, affirmation and allocation
- Particular issues
- Stamp tax
- Swiss withholding tax
- European withholding tax
- American withholding tax
- Tax recovery processes

Clearing and settlement:

- Stages of the settlement process
- Clearing house and central counterparties
- Transaction settlement
- Risks associated with post-transaction functions

Reconciliation:

- Concept of nostro and vostro accounts
- Cash reconciliation
- Securities reconciliation
- Irregularities management

Accounting:

- Cash accounting (bank financial statements, accounting for financial instruments)
- Securities accounting (data contained in the securities accounting system, ownership accounts, location accounts, recognition of transactions, recognition of settled transactions).

Asset servicing:

- The securities holding pyramid
- Central securities depositories (CSDs)
- The depository banks (custodians)

Corporate actions:

- Categories of corporate actions
- Parties involved
- Key dates definition
- Key dates sequence and processing principles for different corporate action event categories
- SWIFT messages used in corporate action events
- Corporate action event announcement
- Identifying entitled parties
- Income calculation
- Accounting entries for corporate action entitlements
- Transaction management
- Collection and disbursement of entitlements
- Accounting entries for corporate action settlement

Reporting:

- Investment reporting process
- Basic definitions for investment reporting
- Fundamentals of performance measurement and attribution
- Investment reporting design

Securities lending and borrowing, repo, collateral management:

- Securities lending (legal basis, different types of securities lending transactions, accounting and minimum capital requirements, tax, lenders and intermediaries, motivation of borrowers, motivation of intermediaries, motivation of lenders, market mechanisms, risks in securities lending, risk management)
- Repurchase agreements (repo characteristics, reasons for the use of repos as secured money market instruments, sequence of events during Eurex repo transactions, related transaction types, collateralised securities transactions, preconditions for a repo transaction, trading, risk management, default and delay procedure, repo business and regulation of the financial market)
- Collateral management (risk transfer with collateral management, criteria influencing collateral, risks remaining despite collateral, development of the collateral business, triparty collateral management)

Financial messaging system:

- Financial messaging system introduction (SWIFT, FIX messaging. Market organisations and infrastructures in Switzerland, clearing systems, solutions in Europe, other messaging systems, current developments in Europe – impact on messaging, software platforms available on the market)
- Financial messaging's compliance control (scope, regulations, organisations of controls, system operation, risks and problems).

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Financial Instruments Cash:

- Regulatory bodies, legal framework and organisation
- Payment transactions in Switzerland
- Payment transactions in Europe
- International payment transactions
- Compliance and control
- Risks and problems
- Costs and revenue
- Trends

Financial Instruments Money Market:

- Convention for calculating interest on the money market
- Interbank deposits market (liquidity requirements and the concept of minimum reserves, reference interest rates on the interbank market, the principle of linear interpolation)
- Debt register claims of the Swiss confederation (master data, the primary market for Swiss Confederation debt register claims, the secondary market for Swiss Confederation debt register claims, Redemption of Swiss Confederation debt register claims)
- SNB bills (master data, the primary market for SNB Bills, the secondary market for SNB Bills, Redemption of SNB Bills)
- US T-Bills (master data, the primary market for US T-Bills, the secondary market for US T-Bills)

Financial Instruments Foreign Exchange Market:

- Spot transactions (main participants on spot exchange markets, organisation of spot exchange markets, principal stages of spot exchange transactions)
- Forward transactions (key participants on the forward exchange market, organisation of the forward exchange market, key stages of a forward exchange transaction)
- Foreign exchange swaps (main participants on the foreign exchange swap market, organisation of the foreign exchange swap market, using forex broker swaps for the rollover of spot currency positions, key stages of a foreign exchange swap)