

## **MSc/Postgraduate Diploma/Postgraduate Certificate in Investment Banking and Islamic Finance**

### **For students entering in 2008**

Awarding Institution:	The University of Reading
Teaching Institution:	The University of Reading Henley Business School
Programme length:	12 months
Date of specification:	30/7/08
Programme Director:	Professor John Board
Board of Studies:	ICMA Centre
Accreditation:	N/A

### **Summary of programme aims**

The aim of the programme is to prepare graduates for a career in the international investment banking industry in positions in which they might wish to demonstrate knowledge of Islamic approaches to finance. The programme will provide participants with the opportunity to develop and demonstrate their understanding of both the theory and practical applications of modern finance both in conventional (“Western”) and Islamic jurisdictions. Thus, the programme aims to respond to the growing interest in Islamic Finance which is evidenced by a continuous increase in Islamic Banking services, Islamic Investment and other financial services based on Islamic principles.

This programme aims to offer the same academic and analytical approach to Islamic finance that we already offer in respect of conventional finance (and related fields of Economics and Law). The new degree will not require any previous knowledge of Islamic Law or concepts and will address the specific issues of Islamic finance within a secular, western-oriented context. This means that the degree will not offer, or claim to offer, any education in Islamic thought, philosophy or religion beyond that necessary to understand the particular topics being examined.

In the first instance the MSc programme will be offered on a full-time residential basis only. Students will spend the three ordinary terms at Reading and then attend a fourth term from June to August at INCEIF (the Global University in Islamic Finance) in Kuala Lumpur (KL).

The core MSc modules will cover the materials to enable them to take the examination to qualify for Part 1 of the Chartered Islamic Finance Professional (CIFP) professional qualification.

The format can be summarised as follows:

- Term 1 (Autumn): Students attend University of Reading and sit Part 1 modules taught by Reading faculty.
- Term 2/3 (Spring / Summer): Students attend University of Reading and sit modules taught by Reading faculty from a choice of MSc modules at Part 2. Students will also study specific modules on Islamic finance (taught equally by UK based experts and visiting Professors from INCEIF).
- Term 4 (June to August): Students attend INCEIF in KL and study three additional modules taught by INCEIF faculty. Students may choose to complete an optional Research Project rather than 20 credits of taught modules. However, all students will have to complete these taught modules, whether completing for credit or as preparation towards the CIFP professional qualification.

## Transferable skills

Like all our MSc programmes, students will have the opportunity to enhance their skills relating to numeracy, problem-solving, communication, information handling and the use of information technology, time management, team working and career planning.

Again, consistent with our other MSc programmes, the quantitative skills developed, including the use of statistical and econometrics software, are much in demand in the financial sector, but are readily transferable to other business and organizational contexts. All other skills are transferable and therefore not specific to particular firms or industries. Students will have the opportunity to improve their communication skills both in the preparation of written assignments and during the interaction with their classmates in the online discussions that support their learning. The Securities, Futures and Options and Fixed Income and Equity Investment modules will require them to organize and interpret data. The significant role of spreadsheet modelling, in particular, will enhance the use of information technology in the programme.

The programme will help the students understand techniques in Islamic finance. It will enable applied knowledge of a very different way of financing and banking, based on a legal culture which is unlike the established European financing which is taken for granted in much of the financing world.

## Programme content

Students study 180 credits in total. Part 1 consists of 80 compulsory credits, plus a further compulsory support module in Quantitative Techniques (not for credit). At Part 2 in Reading, they study 70 credits, consisting of 60 credits of compulsory modules and a choice of 10 credits. At Part 2 in Kuala Lumpur, they study 30 credits, and have the choice of substituting 20 taught credits for the 20 credit Research Project.

	<b>Mod Code</b>	<b>Module Title</b>	<b>Credits</b>	<b>Level</b>
Part 1	ICM107	Securities, Futures and Options	20	M
	ICM108	Fixed Income and Equity Investment	20	M
	ICM232	Financial Analysis	20	M
	ICM106	Financial Markets	20	M
Part 2	ICM244	Principles of Financial Engineering	20	M
	ICM255	Design, Implementation and Risk Aspects of Islamic Financial Products and Services	20	M
	ICM256	Theory and Ethics in Islamic Economics and Finance	10	M
	ICM257	The Principles of Islamic Commercial Jurisprudence and the Nominate Contracts	10	M
	Plus ONE of the following:			
	ICM228	Topics in the History of Finance	10	M
	ICM214	Financial Regulation and Regulatory Policy	10	M
	ICM241	International Securities Markets	10	M
	Students must study 30 credits at INCEIF in Kuala Lumpur chosen from the following			
	ICM258	Islamic Financial Institutions and Markets	10	M
ICM259	Wealth Planning and Management	10	M	
ICM260	Deposit Mobilisation and Financial Management	10	M	
ICM218	Research Project	20	M	

In more detail, students have three methods of completing the programme and also gain exemption from the professional qualification CIFP Part 1.

- 1) Courses ICM258, ICM259, and ICM260 will be treated as equivalent to the corresponding CIFP Part 1 papers. Therefore, students taking and passing all three of these modules, as well as the other compulsory Part 2 modules will be awarded CIFP part 1 without further examination.
- 2) Students who take ICM218 and wishing to gain CIFP part 1 status will be required to take the CIFP examinations in any subject not taken at Part 2 of the MSc.
- 3) All students will be required to attend the lectures and classes for ICM258, ICM259 and ICM260 in Kuala Lumpur, whether or not they offer these subjects at part2.

### **Part-time/Modular arrangements**

In the first instance the programme will be by full time attendance only. It is planned to explore the suitability of this programme for Distance Learning in due course.

### **Progression requirements**

N/A

### **Summary of teaching and assessment**

Teaching is organised in modules. The method of delivery varies among modules, especially in terms of the proportions of time allocated to lectures, seminars and dealing-room sessions. All modules are part-assessed via a multiple-choice test or coursework that can take a variety of forms. Final assessment normally involves a written examination, and also incorporates coursework marks.

The full-time programme is taught over two 11-week terms at Reading and time at KL. Part 1 begins at the beginning of Welcome Week in September of each year. Examinations for Part 1 modules are held in Week 1 of the following spring term. Part 2 at Reading occupies 9 weeks of the spring term and 2 weeks at the beginning of the summer term. Examinations for Part 2 at Reading are normally held in late May / early June. Students then spend a period of eight weeks studying for Part 2 at KL, INCEIF. They will be examined on these materials at the end of August.

The University's taught postgraduate marks classification is as follows:

<u>Mark</u>	<u>Interpretation</u>
70 – 100%	Distinction
60 – 69%	Merit
50 – 59%	Good standard (Pass)
<u>Failing categories</u>	
40 – 49%	Work below threshold standard
0 – 39%	Unsatisfactory Work

### For Masters Degrees (180 credits)

To pass the MSc students must gain an average mark of 50 or more overall. In addition the total credit value of all modules marked below 40 must not exceed 30 credits and for all modules marked below 50 must be less than 60 credits.\*

Students who gain an average mark of 70 or more overall and have no mark below 40 will be eligible for a Distinction. Those gaining an average mark of 60 or more overall and have no mark below 40 will be eligible for a Merit.

### For PG Diplomas (120 credits)

To pass the Postgraduate Diploma students must gain an average mark of 50 or more. In addition the total credit value of all modules marked below 40 must not exceed 30 credits and for all modules marked below 50 must be less than 60 credits.\*

Students who gain an average mark of 70 or more and have no mark below 40 will be eligible for the award of a Distinction. Those gaining an average mark of 60 or more and have no mark below 40 will be awarded eligible for a Merit.

#### For PG Certificate (60 credits)

To pass the Postgraduate Certificate students must gain an average mark of 50 or more. In addition the total credit value of all modules marked below 40 must not exceed 10 credits.\*

\*The provision to permit a candidate to be passed overall with a profile containing marks below 40 is made subject to the condition that there is evidence that the candidate applied his or herself to the work of those modules with reasonable diligence and has not been absent from the examination without reasonable cause

### **Admission requirements**

Normal admissions procedures apply to full-time applicants. The entry requirements are as follows:

#### ***Undergraduate Degree***

Minimum 2:1 or the equivalent from an overseas institution.

#### ***Degree Discipline***

Any, but applicants must have a satisfactory level of numeracy.

#### ***English***

If the applicant's native language is not English, then proof of proficiency is required. The two approved tests are:

- **TOEFL** (Test of English as a Foreign Language) - score of 590 or above
- **IELTS** (British Council International English Language Test) - score of 6.5 or above
- **GMAT (Graduate Management Admissions Test)** We strongly recommend that applicants submit a GMAT score, particularly if they have been out of education for more than a few years. We may ask an applicant to submit a GMAT score if we think it appropriate in their individual case.

Admissions Tutor: Dr Simone Varotto

### **Support for students and their learning**

University-wide support for students and their learning falls into two categories. Learning support includes IT Services, which has several hundred computers, and the University Library, which holds over a million volumes across its three sites, subscribes to around 4,000 current periodicals, has a range of electronic sources of information and houses the Student Access to Independent Learning (S@IL) computer-based teaching and learning facilities. There are also language laboratory facilities both for those students studying a language degree and for those taking modules offered by the Institution-wide Language Programme. Student guidance and welfare support is provided by Personal Tutors, the Careers Advisory Service, the University's Special Needs Advisor, Study Advisors and the Students' Union.

In addition, the ICMA Centre provides three purpose-built dealing rooms that include Reuters and Bloomberg terminals and high-specification PCs that students routinely use for *INVEST* trading simulations and course work. Furthermore, the ICMA Centre has its own library that holds

journals specialising in finance that are not available in the main university library. Each student is given a hand-held calculator for use throughout their studies. The ICMA Centre's Continuing Professional Development Unit provides specialised careers advice targeted at the investment banking industry as part of a non-credit Continuing Professional Development (CPD) module.

Learning support also includes a student handbook containing full details of the programme structure and administration. Blackboard Learning Management System is utilised to manage teaching and learning and to monitor student progress. Blackboard community also provides students and staff with on-line access to personal timetables, seminar group allocations, examinations marks and careers advice.

### **Career prospects**

Graduates of the ICMA Centre have an enviable record of attainment when it comes to gaining employment in the financial services industry. The global investment banking and securities markets attract the very best applicants and competition for entry-level positions remains intense. Despite the volatile nature of the financial markets, demand for well-qualified recruits remains high. We expect many of our graduates to enter the industry at either the 'Analyst' level, i.e. as graduate trainees, or as 'Associates', who tend to have several years of relevant professional experience.

Our graduates leave us equipped with knowledge and transferable skills that are also prized by employers outside of the traditional banking and finance sectors. Many of our graduates are currently enjoying successful careers with government agencies and regulatory organisations throughout the world. Others are working with specialist IT firms, multinational companies and global consulting organisations.

Increasingly, students join us to obtain specific technical and financial skills to enable them to join small financial boutiques, including venture capitalists, proprietary trading firms and hedge funds. Others are working in the area of e-commerce, especially small, entrepreneurial firms that seek to exploit the opportunities for internet-based securities sales and trading.

Since our inception in 1994, at least 75% of our graduates each year have secured employment within three months of graduation.

### **Opportunities for study abroad or for placements**

Students will be expected to spend eight weeks, from June to August studying at INCEIF, Kuala Lumpur, Malaysia.

### **Educational aims of the programme**

Each module sets explicit objectives and learning outcomes in a limited and well-defined area of the course syllabus. Some of these learning outcomes relate to key theoretical concepts, and are achieved through directed study supported by lectures, seminars and trading simulations in which students uncover theoretical concepts (e.g. price convergence in efficient markets) through their own actions. Achievement of these outcomes is assessed through written examinations and graded trading sessions.

Other objectives require students to demonstrate that they can apply specific techniques introduced in the module to new problems. These learning outcomes are achieved in part through seminar work based on exercises and problems set by lecturers and led by course tutors. They are also achieved through group and individual project work. Achievement of these outcomes is assessed through written examinations, and in some modules, graded project work.

On completion of the Masters degree students should be able to demonstrate extensive knowledge of strategies for the valuation, trading and risk management of financial securities and should understand how the markets for different types of securities interact. They should be able to apply these strategies to practical problems at a level of sophistication approaching that encountered in actual financial markets. They should also have acquired transferable core skills in computing and quantitative analysis. They should be able to apply this knowledge in Investment banks involved in Islamic Finance.

## Programme Outcomes

The programme provides opportunities for students to develop and demonstrate knowledge and understanding, skills, qualities and other attributes in the following areas:

### Knowledge and Understanding

<p><b>A Knowledge and understanding of:</b></p> <ol style="list-style-type: none"><li>1. fundamental techniques for portfolio selection, valuation of risky assets and financial decision-making</li><li>2. practical techniques for developing strategies for the analysis of debt, equity and derivative securities</li><li>3. analytical techniques used routinely in the finance research literature</li><li>4. techniques in econometrics comprising model estimation and interpretation, hypothesis testing, and analysis of non-stationary data</li><li>5. structures and functions within the global financial securities industry</li><li>6. principles and theories unpinning Islamic finance</li><li>7. approaches utilised by Investment banks working within the field of Islamic finance</li></ol>	⇒	<p><b>Teaching/learning methods and strategies</b></p> <p>Formal lectures, practical (including dealing-room) sessions and conventional classes, supervisions supported by directed and assessed self-study. Feedback and guidance are an important part of the process.</p> <p>This body of knowledge is communicated by detailed, paper-based lecture notes. These are supported by lectures or e-lectures and a Learning Management System (LMS). The LMS provides the students with the ability to participate in online discussion.</p> <p><b>Assessment</b></p> <p>Knowledge is tested via multiple-choice tests, tutor-marked assignments, and unseen written examinations.</p> <p>Courses are assessed through a combination of coursework and unseen examinations. Practical project work is also assessed and provides a source of feedback on performance to students</p>
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## Skills and other attributes

<p><b>B. Intellectual skills – able to:</b></p> <ol style="list-style-type: none"> <li>1. gather, analyse and interpret data</li> <li>2. read, understand and discuss the relevant literature in refereed academic journals</li> <li>3. think logically and apply analytical principles to a range of problems in finance</li> <li>4. interpret news events and assess their potential effects upon the global financial markets</li> </ol>	⇒	<p>Teaching/learning methods and strategies</p> <p>Substantive problems are illustrated in lectures and smaller group seminars. Essays, project work and problem sets provide related opportunities for problem solving. Lectures supported by essays and seminar discussions provide the basis of ensuring the growing knowledge base becomes comprehensible.</p> <p>These skills are developed by each of the core modules, which are supported by key milestones and submission of tutor-marked assignments. Students will be presented with financial datasets and required to analyse them and to draw appropriate inferences.</p> <p><b>Assessment</b></p> <p>Through tutor-marked assignments, project work, problem sets and unseen written examinations.</p>
<p><b>C. Practical skills – able to:</b></p> <ol style="list-style-type: none"> <li>5. use Information Technology effectively</li> <li>6. utilise econometrics software to critically analyse financial data</li> <li>7. communicate ideas online</li> <li>8. utilise Reuters and Bloomberg business information and analytical tools</li> <li>9. use spreadsheet software to analyse complex practical problems in finance</li> <li>10. operate effectively in a simulated dealing-room environment, including the ability to manage bid/ask spreads</li> <li>11. Appreciate the principles to be able to structure Islamic finance products</li> </ol>	⇒	<p><b>Teaching/learning methods and strategies</b></p> <p>Practical skills are introduced in lectures, developed in supporting tutorials, computer-based sessions and dealing-room sessions, and reinforced by problem sets and supervised project work.</p> <p>Teaching is supported by a Learning Management System that requires students to participate in asynchronous online discussions.</p> <p>Spreadsheet tasks and software modelling are included in the teaching of modules such as Securities Futures and Options.</p> <p><b>Assessment</b></p> <p>These are assessed through INVEST dealing-room sessions, computer-based sessions and tutorials.</p>



**D. Transferable skills – able to:**

1. contribute to online group discussions
2. gather and interpret data, and present results
3. work in teams
4. demonstrate familiarity with the workings of the international financial markets
5. use IT, including word processing, data exchange, graphics, spreadsheet and econometrics software and directed website searches
6. communicate orally and in writing
7. use library and web-based resources
8. manage time to achieve goals

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**Teaching/learning methods and strategies**

The use of IT is an integral part of the practical side of the course. It is encouraged through applications that require economic and financial analysis. These involve spreadsheet-modelling exercises, Monte-Carlo simulations, website searches, use of library resources, the presentation of word-processed documents including graphics displays. Communication skills are assessed at several points throughout the programme. Communication, presentation and team-working skills are specifically emphasised in CPD. Good time management is essential for organising a timetable to complete project work.

Seminar sessions (1) and (3). Assignments. Interviews with prominent guest speakers from the City of London (4).

**Assessment**

Assessment of transferable skills is incorporated at several points in the programme. (1) and (3) contribute towards assessed work in projects, problem sets and dealing-room sessions. These are also assessed by means of unseen written examinations and tutor-marked assignments.

**Please note - This specification provides a concise summary of the main features of the programme and the learning outcomes that a typical student might reasonably be expected to achieve and demonstrate if he/she takes full advantage of the learning opportunities that are provided. More detailed information on the learning outcomes, content and teaching, learning and assessment methods of each module can be found in the module description and in the programme handbook. The University reserves the right to modify this specification in unforeseen circumstances, or where the process of academic development and feedback from students, quality assurance processes or external sources, such as professional bodies, requires a change to be made. In such circumstances, a revised specification will be issued.**