

# IMC Syllabus

## TOPIC AREA 1: Regulatory Environment

### Section 1 (a): Regulatory Structure

#### **1.a.1 - a general knowledge and understanding of the purpose and structure of the UK financial services industry**

The candidate should be able to

- i) explain the functions of the financial services industry
- ii) explain the role and impact of the main financial institutions

#### **1.a.2 - a general knowledge and understanding of the Financial Services and Markets Act 2000 (FSMA), including designated investments and designated investment business as defined in the Regulated Activities Order 2001**

The candidate should be able to

- i) explain the scope of FSMA 2000 in terms of:
  - authorised persons
  - exempt persons
  - regulated investments and activities
  - exclusions from the authorisation requirement
  - offences
  - penalties.
- ii) explain the scope of the Regulated Activities Order 2001 (as amended) in terms of:
  - regulated activities
  - regulated investments
- iii) explain the concept of cross border regulation and home state regulation

#### **1.a.3 - a general knowledge and understanding of the scope, operation and powers of the Financial Services Authority (FSA)**

The candidate should be able to

- i) explain the power and role of the FSA;
- ii) identify and distinguish among the blocks of the FSA handbook;
- iii) explain, in outline, the procedure for authorisation for firms, including knowledge of the threshold conditions
- iv) explain, in outline, the enforcement powers of the FSA relating to:
  - information gathering (EG 3)
  - variation and cancellation of Part IV permission (EG 8)
  - withdrawal of approval (EG 9)
  - prohibition of individuals (EG 9)
  - restitution and redress (EG 11);
- v) explain the disciplinary powers of the FSA (DEPP).

#### **1.a.4 - a general knowledge and understanding of the requirements for authorisation, Approved Persons and controlled functions, the use of Principles for Businesses and Principles and Code of Practice for Approved Persons and requirements concerning training and competence**

The candidate should be able to

- i) explain the application and purpose of the FSA's Principles for Businesses (PRIN 1.1.1 & 2);
- ii) explain the consequences of breaching the principles (PRIN 1.1.7 to 9 and DEPP 6.2.14 & 15)
- iii) identify the Principles for Businesses (PRIN 2.1.1 and PRIN 4);
- iv) define an approved person;
- v) define a controlled function;
- vi) identify the types of controlled function defined within the FSA Handbook (SUP 10);
- vii) define significant influence functions (SUP 10);
- viii) identify the main assessment criteria in the FSA's Fit and Proper Test for approved persons (FIT);
- ix) explain the application procedure for approved persons (SUP 10);
- x) explain the procedure for an approved person moving within a firm (SUP 10);
- xi) Explain the requirements relating to training and achieving and maintaining competence.

#### **1.a.5 - a general knowledge and understanding of Senior Management Arrangements, Systems and Controls**

The candidate should be able to

- i) explain the purpose of the FSA's rules regarding Senior Management Arrangements, Systems and Controls (SYSC 1.2.1 & 2);
- ii) explain, in outline, the main elements of the SYSC rules:
  - apportionment of responsibilities (2.1.1)
  - recording the apportionment (2.2.1)
  - systems and controls (3.1.1 & 2)
  - systems and controls in relation to compliance, financial crime and money laundering (3.2.6, 3.2.7);
- iii) explain the purpose of the guidance on whistleblowing (SYSC 4.1.2);
- iv) explain the effect of the Public Interest Disclosure Act (PIDA) and the role of internal procedures (SYSC 4.2.1,2 (1)).

#### **1.a.6 - a general knowledge of corporate governance and information disclosure by companies**

The candidate should be able to

- i) explain the disclosures required under UK company law regarding:
  - directors' interests
  - major shareholdings;
- ii) explain the purpose of corporate governance regulation;
- iii) explain, in outline, the scope and content of corporate governance regulation in the UK (the Combined Code);
- iv) explain the LSE requirements for listed companies to disclose corporate governance compliance;
- v) explain the developments with respect to
  - the duties of a trustee
  - brokers' commissions
 as covered in Paul Myners' report on institutional investing in the UK;

- vi) explain the continuing obligations of LSE listed companies regarding information disclosure and dissemination.

**1.a.7 - a general knowledge and understanding of general meetings, proxies and voting rights**

The candidate should be able to

- i) explain, in outline, the UK company law requirements regarding the calling of general meetings;
- ii) distinguish between extraordinary and annual general meetings;
- iii) distinguish between the types of resolution that can be considered at company general meetings;
- iv) distinguish between the voting methods used at company meetings;
- v) explain the role and powers of a proxy.

**Section 1 (b): Conduct of Investment Business**

**1.b.1 - a general knowledge and understanding of the rules on financial promotion and other communications to clients**

The candidate should be able to

- i) explain the purpose and scope of the financial promotions rules and the exceptions to them (COBS 4.1);
- ii) explain the fair, clear and not misleading rules (COBS 4.2);
- iii) explain the rules relating to communications with retail clients (COBS 4.5);
- iv) explain the rules relating to past, simulated past and future performance (COBS 4.6);
- v) explain the rules relating to direct offer promotions (COBS 4.7);
- vi) explain the rules relating to cold calls and other promotions that are not in writing (COBS 4.8);
- vii) explain the rules relating to systems and controls in relation to approving and communicating financial promotions (COBS 4.10);
- viii) explain the record keeping requirements relating to financial promotions (COBS 4.11);
- ix) explain the rules relating to distance marketing communications (COBS 5.1);
- x) explain the rules relating to providing information about the firm and compensation information (COBS 6.1).

**1.b.2 -a general knowledge and understanding of accepting customers for investment business: client classification, inducements and client agreements**

The candidate should be able to

- i) explain the purpose of client classification;
- ii) distinguish between a retail client, a professional client and an eligible counterparty (COBS 3.4, 3.5, 3.6);
- iii) explain the rules relating to treating a client as an elective professional client (COBS 3.5.3);
- iv) explain the rules relating to treating a client as an elective eligible client (COBS 3.6.4);

- v) explain the rules relating to providing clients with a higher level of protection (COBS 3.7);
- vi) explain the rules relating to client agreements (COBS 8.1);
- vii) explain the rules relating to inducements (COBS 2.3).

**1.b.3 - a general knowledge and understanding of requirements governing identifying client needs, advising and providing information about the firm and investments and arrangements for investment research**

The candidate should be able to

- i) explain the rules relating to assessing suitability (COBS 9.2);
- ii) explain the rules relating to assessing appropriateness (COBS 10.2);
- iii) explain the rules relating to warning a client (COBS 10.3);
- iv) explain when assessing appropriateness is not required (COBS 10.4, 10.5 and 10.6);
- v) explain the rules relating to investment research produced by a firm and disseminated to clients (COBS 12.2);
- vi) explain the rules relating to the publication and dissemination of non-independent research (COBS 12.3);
- vii) explain the disclosure requirements relating to the production and dissemination of research recommendations (COBS 12.4);
- viii) explain the rules relating to providing information to clients about designated investments (COBS 14.3).

**1.b.4 - a general knowledge and understanding of product disclosure in relation to packaged products and ISAs – provision of key features, projections and cancellation rights**

The candidate should be able to

- i) explain the obligations relating to preparing product information (COBS 13.1);
- ii) explain the rules relating to the form and content of a key features document (COBS 13.2 and 13.3);
- iii) explain the rules relating to cancellation rights (COBS 15).

**1.b.5 - a general knowledge and understanding of dealing and managing including best execution, personal transactions, use of dealing commission, and client order handling**

The candidate should be able to

- i) explain the rules relating to best execution (COBS 11.2);
- ii) explain the rules relating to client order handling (COBS 11.3);
- iii) explain the rules relating to the use of dealing commission (COBS 11.6);
- iv) explain the rules on personal account dealing (COBS 11.7).

**1.b.6 - a general knowledge and understanding of reporting information to clients including confirmation and periodic statements**

The candidate should be able to

- i) explain the rules relating to occasional reporting to clients (COBS 16.2);

- ii) explain the rules relating to periodic reporting to clients (COBS 16.3).

**1.b.7 - a general knowledge and understanding of clients' assets and client money rules**

The candidate should be able to

- i) explain the concept of fiduciary duty;
- ii) explain the application and purpose of the rules relating to custody of client assets held in connection with MIFID business (CASS 6.1);
- iii) explain the rules relating to the protection of clients' assets and having adequate organisation arrangements (CASS 6.2);
- iv) explain the rules relating to depositing assets with third parties (CASS 6.3);
- v) explain the purpose of the rules relating to the use of clients' assets (CASS 6.4);
- vi) explain the rules relating to records, accounts and reconciliations of clients' assets (CASS 6.5);
- vii) explain the application and general purpose of the client money rules (CASS 7.2);
- viii) explain the rules relating to the segregation of client money (CASS 7.4);
- ix) explain the rules relating to records, accounts and reconciliations of client money (CASS 7.6).

**1.b.8 - a general knowledge and understanding of the definition, law, regulation and penalties of market abuse and insider dealing**

The candidate should be able to

- i) explain the meaning of 'inside information' covered by CJA 1993;
- ii) explain the offence of insider dealing covered by the CJA;
- iii) identify the penalties for being found guilty of insider dealing;
- iv) explain the FSA's powers to prosecute under insider dealing;
- v) understand the nature of behaviours defined as market abuse (MAR 1.3,4,5,6,7,8. &9);
- vi) explain the enforcement powers of the FSA relating to market abuse (MAR 1.1.4,5 &6);

**1.b.9 - a general knowledge and understanding of the money laundering legislation, regulations and guidance**

The candidate should be able to

- i) explain the various sources of money laundering regulation and legislation
  - FSA rules
  - Money Laundering Regulations
  - Proceeds of Crime Act 2002;
- ii) explain the role of the Joint Money Laundering Steering Group (JMLSG)
- iii) explain the main guidance provided by the JMLSG
- iv) explain the three stages involved in the money laundering process;
- v) explain the four offence categories under UK legislation.

**1.b.10 -a general knowledge and understanding of compliance record retention and confidentiality requirements including the data protection legislation, complaints handling, the Financial Ombudsman Service and the Financial Compensation Scheme**

The candidate should be able to

- i) explain the requirements of the Data Protection Act 1998
- ii) explain the FSA rules relating to handling of complaints (DISP 1.3);
- iii) explain the role of the Financial Ombudsman Service (DISP Introduction and DISP 2);
- iv) distinguish compulsory from voluntary jurisdiction (DISP Introduction);
- v) explain the procedure and time limits for the resolution of complaints (DISP 1.4, 1.5 and 1.6);
- vi) explain the rules relating to record keeping and reporting (DISP 1.9, 1.10);
- vii) explain the rules relating to determination by the Ombudsman (DISP 3);
- viii) explain the purpose of the Financial Services Compensation Scheme (FSCS) (COMP 1.1.7);
- ix) define protected investment business (COMP 5.5);
- x) explain the circumstances under which the FSCS will pay compensation (COMP 1.3.3, 3.2.1 (1)&(2), 4.2.1 & 2 (1) to (6));
- xi) explain the limits on the compensation payable by the FSCS (COMP 10.2.1,2 &3).

**Section 1 (c): Other Relevant Bodies**

**1.c.1 -a general knowledge of the regulatory obligations of recognised UK investment exchanges including the London Stock Exchange and Euronext.liffe**

The candidate should be able to

- i) explain the role of an investment exchange;
- ii) explain the need for investment exchanges to be authorised;
- iii) explain the relevance of investment exchanges being recognised by the FSA;
- iv) identify the recognised investment exchanges and clearing houses in the UK;
- v) identify and distinguish the roles of
  - the London Stock Exchange (LSE)
  - Euronext.liffe
  - LCH.Clearnet
- vi) distinguish a recognised investment exchange from a recognised overseas investment exchange.

**1.c.2 -a general knowledge of the UK listing authority (UKLA) rules including requirements for prospectus or listing particulars**

The candidate should be able to

- i) explain the role of the FSA as the UK listing authority;
- ii) identify the source of the listing rules as FSMA 2000 and relevant EU directives;
- iii) explain the main conditions for listing

- iv) explain the purpose of the requirement for prospectus or listing particulars;
- v) identify the main exemptions from listing particulars

**1.c.3 -a general knowledge of the role of the Bank of England, HM Treasury, Panel for Takeovers and Mergers, Competition Commission and the Department for Business, Enterprise and Regulatory Reform (BERR)**

The candidate should be able to

- i) explain the functions of the Bank of England including the Monetary Policy Committee;
- ii) explain the functions of HM Treasury including the DMO;
- iii) explain the function of the following bodies/persons
  - the Panel for Takeovers and Mergers
  - the Department for Business, Enterprise and Regulatory Reform (BERR)
  - the Secretary of State for the Department of BERR
  - the Competition Commission;
- iv) explain the make up of the Panel and how it is financed;
- v) explain the regulatory power of the City Code on Takeovers and Mergers;
- vi) explain the main provisions of the City Code including the bid timetable;

**1.c.4 -a detailed knowledge and understanding of relevant European Union Directives and how they affect the UK investment management industry**

The candidate should be able to

- i) explain the legal status of EU Directives within the UK;
- ii) explain the purpose and scope of the Markets in Financial Instruments Directive (MiFID) with respect to:
  - passporting
  - roles of the home and host state
  - core and non-core investment services
  - financial instruments covered by the legislation;
- iii) explain the purpose and scope of the UCITS Directives.

**Section 1 (d): Investment Powers**

**1.d.1 - a general knowledge of Pension Funds, Collective Investment Schemes, Investment Trusts and Charities, including Investment and Borrowing Restrictions**

The candidate should be able to

- i) explain the tax status of approved pension schemes;
- ii) explain the role of the trustee in the management of pension fund;
- iii) explain the significance of the Pensions Act 2004
  - scheme specific funding requirement
  - the Pensions Regulator
  - the Pension Protection Fund;
- iv) explain the purpose of a Statement of Investment Principles;
- v) explain the nature of collective investment schemes;
- vi) identify and distinguish the key characteristics of

- authorised unit trusts
- open ended investment companies
- investment trusts;
- vii) explain the borrowing and investment powers of a collective investment scheme;
- viii) explain the three ways in which an overseas collective investment scheme can be recognised by the FSA;
- ix) explain the sources of regulation relating to charitable trusts.

**1.d.2 - a general knowledge of the role of investment managers**

The candidate should be able to

- i) explain the key stages of the investment management process
  - identifying client objectives and constraints
  - drawing up investment policy statements
  - implementation of policy
  - review and control;
- ii) explain the capacities in which an investment manager can act
  - advisory
  - non-discretionary
  - discretionary;
- iii) explain the costs and benefits of in-house versus outsourced research functions.

**1.d.3 - a general knowledge of the investment powers of clients and of the Trustee Act 2000 – powers and restrictions of Trustees**

The candidate should be able to

- i) explain the investment powers of a client, and how and why these are normally delegated to trustees;
- ii) explain the nature of a trust and the role of the trustee;
- iii) explain the purpose and scope of the Trustee Act 2000
  - the rights and duties of the parties involved
  - the nature of the trust deed
  - investment powers of trustees.

## TOPIC AREA 2: Financial Instruments and Other Investments

### Section 2 (a): Shares

#### **2.a.1 - a general knowledge of the classes of equity capital and the characteristics of ordinary and preference shares in respect of priority for dividends and capital**

The candidate should be able to

- i) identify the characteristics, and the risks to the investor, of the various classes of share capital;
- ii) explain the reasons for issuance of preference shares and the implications to the investor;
- iii) explain the characteristics of Global and American Depository Receipts.

#### **2.a.2 - a general knowledge and understanding of new share issues including scrip, rights issues and stock splits**

The candidate should be able to

- i) distinguish between primary and secondary share issuance;
- ii) define and explain the purpose of a rights issue, a scrip issue and a stock split;
- iii) calculate the theoretical ex-rights price and the value of the right (nil-paid) given the cum-rights price, the issuance ratio and the subscription price;
- iv) calculate the theoretical ex-scrip price given the scrip ratio and the cum-scrip price;
- v) explain the options open to an investor in response to a rights offer and explain the effect on the investor's wealth;
- vi) explain the motivations behind a company buying back its own shares.

#### **2.a.3 - a general knowledge and understanding of dividend valuation models, the effects of dividend policy, dividend cover, and the use of dividend yield**

The candidate should be able to

- i) calculate a holding period return for an ordinary share, comprising capital gain and dividend income;
- ii) explain the components, assumptions and limitations of the dividend discount model (Gordon's growth model);
- iii) calculate the present value of a share using the dividend discount model;
- iv) calculate an estimated growth rate for dividends using historic data or using return on equity and a retained earnings ratio;
- v) explain the reasons for a company's chosen dividend policy;
- vi) explain the practical constraints on companies paying dividends;
- vii) explain the importance of the dividend yield and dividend cover in stock analysis;
- viii) calculate dividend yield and dividend cover.

#### **2.a.4 - a detailed knowledge and understanding of commonly used valuation ratios and measures**

The candidate should be able to

- i) distinguish between relative valuation models and absolute valuation models;

- ii) calculate a basic earnings per share;
- iii) explain what is meant by diluted earnings per share;
- iv) explain the rationale for the use of the following ratios in equity valuation:
  - price-earnings
  - price to book
  - price to sales
  - price to cash flow
  - enterprise value (EV) to earnings before interest tax, depreciation and amortisation (EBITDA);
- v) calculate price-earnings (both historic and prospective), price to book, price to sales, price to cash flow ratios for a company;
- vi) apply the company ratios in 2.a.4 part (v) above to the valuation of another given company;
- vii) explain the possible shortfalls of using each of these price multiples in corporate valuation;
- viii) define (financial) gearing and understand the effect on required equity returns and thus dividend valuations;
- ix) explain the measures of economic value added (EVA) and market value added (MVA).

#### **2.a.5 -a general knowledge and understanding of the methods of raising capital**

The candidate should be able to

- i) explain the key features of the following equity issuance methods:
  - placing
  - intermediaries offer
  - offer for sale
  - offer for sale by subscription.

### **Section 2 (b): Fixed Income Securities**

#### **2.b.1 - a general knowledge of different fixed income securities including government bonds, index linked bonds, corporate bonds and Eurobonds**

The candidate should be able to

- i) explain the structure and characteristics of the various types of fixed income instruments issued in the UK including government bonds, index linked bonds, corporate bonds and Eurobonds;
- ii) understand the rationale for the issuance of a convertible, callable or puttable bond;
- iii) explain clean (quoted) and dirty pricing;
- iv) understand the valuation methodology for fixed income securities;
- v) calculate the price of a fixed income security given its maturity, coupon and yield.

#### **2.b.2 - a general knowledge and understanding of the components of risk and return**

The candidate should be able to

- i) identify the components of return of fixed income securities;
- ii) explain the main risks faced by bond holders and how these risks can be addressed;

- iii) explain the two components of interest rate risk (price and reinvestment risk);
- iv) explain the nature of the relationship between yield and price;
- v) understand the factors that affect the sensitivity of a bond's price to a change in required yield;
- vi) define and calculate the (Macaulay) duration of a bond;
- vii) define and calculate the modified duration of a bond;
- viii) calculate, given the duration of a bond, the change in price given a change in required yield;
- ix) explain the convexity error that arises from using duration to estimate a change in bond price using duration.

### **2.b.3 – a general knowledge and understanding of credit risk, seniority of debt, and the use of rating agencies**

The candidate should be able to

- i) define credit risk;
- ii) explain the role of the major credit rating agencies;
- iii) interpret the key classes of rating on the scales published by the major rating agencies;
- iv) explain the concept of debt seniority.

### **2.b.4 – a general knowledge and understanding of flat and redemption yields, semi-annual and annual yields, and the construction of yield curves**

The candidate should be able to

- i) define and calculate:
  - flat yield
  - gross redemption yield (GRY)
  - net redemption yield (NRY)
  - grossed-up NRY;
- ii) explain when each of the above measures may be appropriate to use;
- iii) define the yield curve;
- iv) explain the theories that contribute to explaining the shape of the yield curve;
- v) define forward and spot interest rates;
- vi) explain the relationship between forward rates, spot rates and the GRY.

## **Section 2 (c): Property**

### **2.c.1 -a general knowledge and understanding of direct and indirect property investment and the methods of valuation**

The candidate should be able to

- i) explain the characteristics of direct property investment;
- ii) identify the risks associated with direct property investment;
- iii) explain the methods of indirect property investment and how it addresses the key risks of direct investment;
- iv) explain the general techniques that can be used to value property.

## **Section 2 (d): Cash and Money Markets**

### **2.d.1 - a general knowledge of deposits, certificates of deposit, commercial paper, treasury bills, and floating rate notes**

The candidate should be able to

- i) explain the main characteristics and risks associated with cash deposits and money market instruments (Treasury Bills, CDs, CPs, FRNs);
- ii) calculate the discount and quoted yield on a UK Treasury Bill.

**2.d.2 - a general knowledge and understanding of credit risk and the trading and settlement procedures in the main money markets**

The candidate should be able to

- i) explain the nature and significance of credit risk in the money markets;
- ii) explain the trading and settlement procedures relating to the main money market instruments.

**Section 2 (e): Currencies**

**2.e.1 - a general knowledge and understanding of the spot and forward markets and the nature of exchange rate risk**

The candidate should be able to

- i) understand the nature and basic operations of the foreign exchange market;
- ii) explain the nature of exchange rate risk and how it can be managed;
- iii) explain spot and forward exchange rates;
- iv) calculate forward rates using interest rate parity (IRP);
- v) explain the concept of purchasing power parity (PPP);
- vi) distinguish between IRP and PPP;
- vii) explain the International Fisher effect.

**Section 2 (f): Derivatives and Other Instruments**

**2.f.1 - a general knowledge and understanding of the uses of derivatives in investment management and the associated risks**

The candidate should be able to

- i) distinguish between forwards, futures and options;
- ii) explain the nature, trading and settlement of a futures contract;
- iii) understand the motive for using a futures contract rather than a trade in the underlying asset;
- iv) explain the nature of, and reasoning behind, a contango and backwardation market;
- v) define the 'basis' of a futures contract;
- vi) know the contract specifications of the following Euronext.liffe contracts:
  - short term interest rate (STIR) futures
  - long Gilt futures
  - FTSE 100 futures;
- vii) explain the possible uses of the above contracts to an investment manager;
- viii) distinguish between American style and European style options;
- ix) explain time value and intrinsic value relating to an option premium;
- x) identify when an option is in-the-money, out-of-the-money, or at-the money;
- xi) calculate the time value of an option, given the premium, strike price and current market price;
- xii) explain the factors that determine the premium of an option;
- xiii) calculate the maximum profit, maximum loss and the motivation behind the following option strategies
  - long and short call

- long and short put
  - long and short straddle
  - long and short strangle
  - long and short butterfly
  - covered call;
- xiv) explain the use of futures and options in hedging an equity portfolio;
- xv) calculate the number of FTSE 100 futures or options contracts required to hedge a portfolio with a specified beta value.

### **2.f.2 - a general knowledge and understanding of selling short, stock lending and contracts for differences (swaps)**

The candidate should be able to

- i) explain the mechanics and uses of short selling;
- ii) explain the role of stock lending in the markets, and the benefits to the participants;
- iii) explain the nature of, and motivations behind:
  - interest rate swaps
  - currency swaps
  - equity swaps
  - inflation swaps.

### **2.f.3 - a basic knowledge of convertibles and warrants**

The candidate should be able to

- (i) explain the nature of convertible bonds and convertible preference shares;
- (ii) calculate a conversion price, value and premium;
- (iii) explain the component parts of the valuation of a convertible bond (namely straight bond value, call option value, dilution effect and conversion ratio)
- (iv) define a warrant;
- (v) distinguish between a warrant and a call option;
- (vi) explain the key features of covered warrants.

### **2.f.4 - a basic knowledge of credit derivatives**

The candidate should be able to

- i) explain the purpose mechanics and implications of a credit default swap;
- ii) distinguish between a cash and synthetic CDO;
- iii) explain the risks to the financial system resulting from the proliferation of credit derivatives.

## TOPIC AREA 3: Markets

### Section 3 (a): The UK Markets

#### 3.a.1 – a general knowledge and understanding of the mechanics of dealing in the UK equity and fixed interest markets

The candidate should be able to

- i) identify the main dealing systems and facilities offered in the UK equities market;
- ii) identify the nature of the stocks that would be traded on each of the above systems and facilities;
- iii) explain the structure and operation of the primary and secondary UK markets for gilts and corporate bonds;
- iv) explain the mechanics, features and advantages of a gilt repo;
- v) define and explain the features and advantages of gilt strips.

#### 3.a.2 – a general knowledge and understanding of the differences between market making and matched order markets

The candidate should be able to

- i) distinguish between a quote-driven and order-driven market;
- ii) explain the roles of the various participants in the UK equity market.

#### 3.a.3 - a general knowledge and understanding of transaction costs in the UK market including commission, stamp duty reserve tax (SDRT) and the Panel on Takeovers and Mergers levy

The candidate should be able to

- i) explain and identify transaction costs associated with dealing in UK equities and gilts;
- ii) calculate the total transaction costs for an equity or gilt transaction, given the appropriate data.

#### 3.a.4 -a basic knowledge of the settlement procedures of the UK markets

The candidate should be able to

- i) explain the settlement procedures for LSE transactions (equities, gilts and corporate bonds).

### Section 3 (b): International Markets

#### 3.b.1 – a basic knowledge and understanding of the mechanics of dealing in the equity and fixed interest markets of US, Japan, France, and Germany

The candidate should be able to

- i) explain the mechanics of dealing in equities and fixed interest securities in each of the following countries:
  - US
  - Japan
  - France
  - Germany;
- ii) identify the participants in each of the above markets;
- iii) explain the structure and operation of the primary and secondary markets for Eurobonds.

#### 3.b.2 - a basic knowledge of the settlement procedures overseas, including Euroclear and Clearstream

The candidate should be able to

- i) explain the settlement procedures for equities and fixed interest in each of the major markets mentioned in 3.b.1.
- ii) explain the settlement procedures relating to Eurobonds.

#### **TOPIC AREA 4: Taxation**

##### **Section 4 (a): Corporation Tax**

###### **4.a.1 – a basic knowledge and understanding of corporation tax**

The candidate should be able to

- i) explain how companies are taxed in the UK – including mainstream tax rate and the timing of payments.

##### **Section 4 (b): Investor Taxes**

###### **4.b.1 - a basic knowledge and understanding of Capital Gains Tax**

The candidate should be able to

- i) know the rates of CGT;
- ii) calculate basic CGT liabilities given information relating to gains, offsetting losses and annual exemptions;
- iii) explain and calculate the effect of taper relief.

###### **4.b.2 - a basic knowledge and understanding of Income Tax**

The candidate should be able to

- i) know rates of income tax applicable to earnings, dividend and interest income;
- ii) calculate the further tax liability of an investor who receives net interest or dividend income.

##### **Section 4 (c): Overseas Taxes**

###### **4.c.1 - a basic knowledge and understanding of offset in UK taxes against taxes levied overseas by the US, Japan, France and Germany**

The candidate should be able to

- i) explain when overseas tax applies to corporate income;
- ii) explain the nature and effect of double taxation treaties;
- iii) calculate any further tax payable by a UK entity after double taxation relief is allowed for;
- iv) explain the nature of withholding tax;
- v) calculate any further tax payable by a UK entity where overseas income has been subject to withholding tax.

## TOPIC AREA 5: Portfolio Management

### Section 5 (a): Investment Objectives and Approaches

#### 5.a.1 -a general knowledge and understanding of the objectives of the following funds in the UK: pension funds, life assurance funds, general insurance funds and hedge funds

The candidate should be able to

- i) explain the features and objectives of the following funds in the UK:
  - pension funds (defined benefit and defined contribution)
  - life assurance funds
  - general insurance funds
  - hedge funds;
- ii) distinguish among the typical asset allocations for the above funds.

#### 5.a.2 -a general knowledge and understanding of the objectives of private client funds

The candidate should be able to

- i) explain the features and objectives of the private client funds.

#### 5.a.3 -a general knowledge and understanding of the objectives of retail investment funds including both open and closed ended structures

The candidate should be able to

- i) distinguish between open and closed ended funds;
- ii) distinguish the features, risks and benefits of unit trusts, investment trusts and open-ended investment companies;
- iii) explain the additional benefits and risks of investing in split capital investment trusts;
- iv) explain the key features and objectives of Exchange Traded Funds;
- v) explain the key features and objectives of Venture Capital Trusts.

#### 5.a.4 -a basic knowledge and understanding of fixed income portfolios, including immunisation, cash matching, managing credit risk, riding the yield curve and yield enhancement strategies

The candidate should be able to

- i) explain the following bond portfolio management techniques:
  - cash matching /dedication
  - immunisation
  - contingent immunisation
  - anomaly switches
  - policy switches
  - credit risk management
  - riding the yield curve;
- ii) calculate the theoretical gain from riding the yield curve;
- iii) calculate duration for a bond portfolio;
- iv) explain the benefits and risks of using barbell and bond portfolio strategies.

**5.a.5 -a general knowledge and understanding of the distribution of investments between asset class, between sectors and between countries**

The candidate should be able to

- (i) identify the relative distribution of investment institutions' assets across asset class, sector and country.

### 5.a.6 -a general knowledge and understanding of fund management styles

The candidate should be able to

- i) distinguish between a 'top-down' and 'bottom-up' approach to fund management;
- ii) distinguish between active and passive fund management and explain the costs/benefits to the investor;
- iii) distinguish between strategic and tactical asset allocation;
- iv) explain the major investment styles prevalent in the fund management industry (including socially responsible investing – SRI).

### 5.a.7 -a general knowledge and understanding of time horizons, short and long term liabilities, liquidity, legal and tax requirements

The candidate should be able to

- i) explain the return objectives of the major fund types;
- ii) classify funds by their income/capital growth requirements;
- iii) explain the effect of each of the following on a fund's asset allocation:
  - time horizons
  - liability structure
  - liquidity requirements.
- iv) explain the taxation of the various types of funds in the UK;
- v) explain the effect that tax legislation may have on the stock selection and asset allocation of a fund;
- vi) identify the other types of legal requirements that affect pension and insurance funds

### 5.a.8 -a basic knowledge of liability investment (LDI)

The candidate should be able to

- i) explain the benefits and risks of an LDI strategy;
- ii) explain the process of a liability driven investment strategy;
- iii) explain some of the techniques used in LDI;
- iv) explain the use of basic measures of risk used in LDI.

### 5.a.9 -a detailed knowledge and understanding of risk and return and the importance of diversification

The candidate should be able to

- i) explain the importance of risk-measurement in the analysis of investments;
- ii) identify the commonly used measures of risk in investment analysis and fund management;
- iii) explain the shortfalls of standard deviation as a measure of investment risk;
- iv) define the CAPM segmentation of risk into systematic ("market") risk and unsystematic ("specific") risk;
- v) explain the extensions of CAPM via arbitrage-pricing theory in terms of multiple sources of systematic risk;
- vi) calculate correlation coefficients from standard deviation/covariance of two securities and the total risk given some systematic and unsystematic components;
- vii) explain the rule of 'dominance' in the context of investment analysis;
- viii) explain diversification and its role in constructing efficient portfolios and its limitations during extreme market conditions;

- ix) understand the importance of correlation in constructing efficient portfolios and the difficulties, limitations and meaning of correlation coefficients;
- x) explain the meaning of Value at Risk (VaR) and its advantages and disadvantages for risk management.

#### **5.a.10 -a detailed knowledge and understanding of the capital asset pricing model**

The candidate should be able to

- i) identify the assumptions behind the Capital Asset Pricing Model (CAPM);
- ii) explain the benchmarks used in the derivation of the CAPM (namely a risk-free asset and the market portfolio);
- iii) explain the limitations of the CAPM model based on the assumptions in (i) above;
- iv) calculate the expected return on a security by applying the CAPM;
- v) identify the appropriate investment selection decision based on the CAPM;
- vi) explain and interpret the beta of a security;
- vii) explain how the beta may be derived from a scatter chart of historic returns;
- viii) calculate the beta of an investment given the systematic risk of the investment and the risk of the market;
- ix) calculate the beta of an investment given the variance of the market return, and the covariance of the investment return with the market return;
- x) explain how the beta of a portfolio is derived;
- xi) calculate the beta of a portfolio given the component betas and the investment weightings.

### **Section 5 (b): Performance Measurement**

#### **5.b.1 - a detailed knowledge and understanding of total return and its components**

The candidate should be able to

- i) explain the importance of returns analysis in the portfolio management process;
- ii) identify the components of total return for a bond or equity portfolio;
- iii) calculate the income, capital and total return over a single period for an equity or bond portfolio;
- iv) calculate the reinvestment return on income over a specified investment horizon.

#### **5.b.2 - a detailed knowledge and understanding of the calculation of money weighted and time weighted returns**

The candidate should be able to

- i) identify the data requirements to calculate a
  - money weighted return; and
  - time weighted return;
- ii) calculate respectively, from such data, the
  - money weighted return; or
  - time weighted return;
- iii) interpret time-weighted and money-weighted returns.

**5.b.3 - a detailed knowledge and understanding of the choosing of a benchmark, comparisons with investment objectives, base portfolio, peer group, indices**

The candidate should be able to

- i) explain the purpose of benchmarking;
- ii) identify the characteristics of an appropriate benchmark;
- iii) identify the key types of benchmark used in the investment management industry;
- iv) explain the benefits and shortfalls of each type of benchmark;
- v) explain how to construct a benchmark portfolio comprising global equities;
- vi) calculate the effect of:
  - tactical asset allocation; and
  - stock selectionon a portfolio's return relative to the portfolio benchmark.

**5.b.4 - a detailed knowledge and understanding of performance measurement including risk adjusted returns**

The candidate should be able to

- i) explain the importance of risk analysis in performance evaluation;
- ii) explain and interpret the following risk adjusted measures of return:
  - the Sharpe measure;
  - the Treynor measure;
  - the information ratio;
  - Jensen's alpha;
- iii) calculate the Sharpe, Treynor, information ratio and Jensen measure;
- iv) explain how differing time horizons affect return measurements;
- v) explain how total return can be decomposed into the following:
  - risk-free return
  - return due to client risk
  - return due to market timing
  - return to diversifiable risk
  - pure selectivity;
- vi) explain the tracking error and its limitations.

## TOPIC AREA 6: Accounting

### Section 6 (a): Fundamental Precepts

#### 6.a.1 - a general knowledge and understanding of the statutory requirement to prepare accounts, the function of the auditors report and the role of national and international standard setters

The candidate should be able to

- i) explain the legal requirement to prepare financial statements;
- ii) explain the concept of a company being a separate legal entity, and the purpose of the preparation of the accounts;
- iii) define 'small companies' for the purpose of financial statement preparation and explain the relevance of this definition;
- iv) explain when accounts may be required to be prepared under IFRSs rather than UK GAAP
- v) explain the function of the
  - Financial Reporting Council
  - Accounting Standards Board
  - Financial Reporting Review Panel; and
  - the Urgent Issues Task Force;
- vi) explain the function of:
  - The International Accounting Standards Board
  - The International Financial Reporting interpretations Committee
- vii) explain the nature of:
  - Statements of Standard Accounting Practice (SSAPs);
  - Financial Reporting Standards (FRSs);
  - Statements of Recommended Practice (SORPs); and
  - Urgent Issues Task Force (UITF) abstracts;
- viii) explain the nature of:
  - International Financial Reporting Standards
  - International Accounting Standards
  - IFRIC interpretations
  - SIC interpretations
- ix) identify additional disclosures required in the financial statements for LSE listed companies;
- x) explain the role of the auditor;
- xi) identify, in outline, the reasons for auditors issuing a qualified report;

### Section 6 (b): The Balance Sheet

#### 6.b.1 - a general knowledge and understanding of the categories of assets and their valuation, categories of liabilities, share capital and reserves, balance sheet structure and preparation

The candidate should be able to

- i) explain the purpose of a balance sheet;
- ii) identify and explain the key balance sheet categories and content;
- iii) distinguish between capital and revenue expenditure;
- iv) explain the valuation of fixed (non-current) assets;
- v) calculate depreciation and net book values under the straight-line and reducing balance methods;

- vi) calculate the profit or loss on disposal of a fixed (non-current) asset;
- vii) explain the principles behind the valuation of stock (inventories);
- viii) explain the effects of first-in-first-out and last-in-first-out valuations on stock values and profits;
- ix) distinguish between specific and general provisions;
- x) explain and calculate the effect of changing debt provisions on profits;
- xi) identify the types of current and long-term liabilities that typically appear in financial statements;
- xii) explain the treatment of contingent liabilities within financial statements
- xiii) explain the treatment of pension costs in financial statements
- xiv) explain what is meant by a post-balance sheet event;
- xv) distinguish among authorised, issued, paid up and called up share capital;
- xvi) explain the effect of the following on a balance sheet:
  - rights issue
  - bonus/scrip issue
  - stock split
  - share repurchases;
- xvii) identify and explain the main types of reserve found in the balance sheet.

**6.b.2 - a general knowledge and understanding of the accounting treatment of financial instruments**

The candidate should be able to

- i) under IFRSs, identify the various classifications of financial instrument and outline the accounting treatment of each.

**Section 6 (c): The Profit and Loss Account / Income Statement**

**6.c.1 -a general knowledge and understanding of turnover, revenue, expenses, extraordinary and exceptional items, post balance sheet events, dividends, provisions, transfers to reserves**

The candidate should be able to

- i) explain the relationship between the profit and loss account/income statement and the balance sheet;
- ii) identify and explain the key profit and loss account/income statement categories and content;
- iii) explain the principle of revenue recognition;
- iv) identify the following different levels of profit and understand which classes of expenditure are considered in arriving at each level:
  - gross profit;
  - trading (or operating) profit; and
  - net profit;
- v) classify non-recurring items and explain their treatment in the profit and loss account.

**Section 6 (d): The Cash Flow Statement**

**6.d.1 - a general knowledge and understanding of the cash flow statement**

The candidate should be able to

- i) explain the purpose of a cash flow statement;
- ii) identify the classifications of cash flow;
- iii) calculate net cash flow from operations given operating profit (or vice versa) and the relevant balance sheet movements.

### **Section 6 (e): Group Accounts**

#### **6.e.1 - a general knowledge and understanding of the basic principles of consolidation**

The candidate should be able to

- i) define and distinguish between corporate investments, associated companies and subsidiaries;
- ii) explain the purpose of group accounts;
- iii) define a minority interest and explain how it is represented in the financial statements;
- iv) explain how goodwill arises in acquisition accounting;
- v) explain the treatment of goodwill and intangible assets in the group accounts, including amortisation, useful lives and the requirement for impairment reviews, under UK GAAP and IFRSs.

### **Section 6 (f): Major Accounting Ratios**

#### **6.f.1 - a general knowledge and understanding of the major accounting ratios**

The candidate should be able to

- i) distinguish between profitability, liquidity, and gearing ratios;
- ii) define and calculate return on capital employed;
- iii) define and calculate return on equity;
- iv) explain how return on capital employed can be broken down into profit margin and asset turnover;
- v) define, calculate and interpret
  - operational gearing
  - financial gearing
  - the current ratio
  - the quick ratio (acid test);
- vi) explain the effect of the following on the major accounting ratios:
  - rights issue
  - bonus/scrip issue
  - stock split
  - share repurchases.

## TOPIC AREA 7: Economics

### Section 7 (a): Microeconomics

#### 7.a.1 -a general knowledge and understanding of demand and supply

The candidate should be able to

- i) explain the laws of supply and demand;
- ii) distinguish between *movements along* demand and supply schedules and *shifts* thereof;
- iii) identify the factors that cause a demand or supply schedule to shift;
- iv) describe, calculate and interpret own price elasticity of demand and its impact on total revenues;
- v) identify the factors that determine own price elasticity of demand;
- vi) explain, calculate and interpret the concept of cross elasticity of demand (as applied to substitute and complementary goods);
- vii) explain, calculate and interpret elasticity of supply and its dependence on the flexibility of factors of production.

#### 7.a.2 -a general knowledge and understanding of the costs of production; marginal costs, average costs and total costs

The candidate should be able to

- i) distinguish between explicit (accounting) costs and opportunity (economic) costs;
- ii) explain the concept of normal, supernormal and sub-normal levels of profit;
- iii) define fixed costs, variable costs, marginal costs, total costs and average costs;
- iv) explain the shapes of the short-run marginal cost, average variable cost, average fixed cost, and average total cost curves;
- v) explain the law of diminishing marginal returns and its impact on the shape of short-run cost curves;
- vi) explain the relationship between total revenue, average revenue and marginal revenues for a normal demand schedule;
- vii) explain the relationship between marginal cost and marginal revenue and how this determines the profit maximising level of output for a firm.

#### 7.a.3 -a general knowledge and understanding of short and long run costs, economies and diseconomies of scale

The candidate should be able to

- i) define short-run and long-run in the context of cost behaviour;
- ii) explain the notions of economies of scale, a minimum efficient scale and diseconomies of scale and their impact on the shape of the long-run average cost curve;
- iii) explain the relationship between long run marginal costs and long run average costs and explain how this determines the level of output for productive efficiency to arise.

#### 7.a.4 -a general knowledge and understanding of perfect competition and monopoly

The candidate should be able to

- i) identify the conditions that characterise a perfectly competitive ('price-taker') market;
- ii) explain the conditions of long-run equilibrium for a price-taker;
- iii) explain the market mechanics through which only normal levels of profit can be earned by price takers in the long-run;
- iv) explain the relationship between short run supply and marginal cost for a price-taker;
- v) describe the shape of the long run supply curve for a perfectly competitive industry;
- vi) explain the decision by a price taker facing economic losses to either continue to operate or shut down;
- vii) identify the conditions that characterise a pure monopoly;
- viii) explain the conditions of long run equilibrium for a monopoly;
- ix) distinguish between the equilibrium price, output levels, and productive efficiency of a monopoly compared to a perfectly competitive firm;
- x) explain price discrimination and the conditions under which it will prevail.

#### **7.a.5 - a general knowledge and understanding of commonly used methods of assessing industries/companies**

The candidate should be able to

- i) understand how business cycles may affect relative industry performance;
- ii) explain Porter's five competitive forces that drive industry competition;
- iii) explain the product life cycle and the characteristics of each phase (introduction, growth, maturity and decline);
- iv) explain the concept of strengths, weaknesses, opportunities and threats (SWOT) analysis and its role in corporate evaluation;
- v) explain the 4Ps marketing mix (product, price, promotion and place) in the context of analysing competitive advantage and threats.

### **Section 7 (b): Macroeconomics**

#### **7.b.1 - a general knowledge and understanding of the determination of National Income, the circular flow of income, consumption, the multiplier, the paradox of thrift, foreign trade and income determination**

The candidate should be able to

- i) distinguish between GDP and GNP;
- ii) explain the difference between real and nominal GDP;
- iii) explain the components of the circular flow of income;
- iv) distinguish between injections into, and withdrawals from ('leakages') the circular flow;
- v) distinguish between national income and GNP;
- vi) distinguish between classical economics and Keynesian economics;
- vii) explain the major components of the Keynesian model;
- viii) explain Keynesian equilibrium;
- ix) calculate the Keynesian multiplier given the marginal propensity to consume (mpc) or propensities to withdraw (tax, import and save);

- x) explain the paradox of thrift.

**7.b.2 - a general knowledge and understanding of fiscal and monetary policy**

The candidate should be able to

- i) describe fiscal policy and its influence on aggregate demand;
- ii) explain the problems associated with fiscal policy;
- iii) define money supply (from 'narrow' through to 'wide');
- iv) describe the fractional reserve banking system;
- v) define the money multiplier and identify its determinants;
- vi) calculate the potential money multiplier given a cash reserve ratio;
- vii) describe the relationship between real money supply and interest rates;
- viii) explain the transmission mechanism whereby monetary policy influences economic aggregates.

**7.b.3 - a general knowledge and understanding of the role of the Bank of England and a basic knowledge and understanding of the role of the central banks in the US and Japan, and of the European Central Bank**

The candidate should be able to

- i) explain the role and responsibilities of the central bank in the UK and the tools that it can use to control the money supply;
- ii) explain the functions and responsibilities of the central banks of Europe, US and Japan.

**7.b.4 - a general knowledge and understanding of inflation and unemployment**

The candidate should be able to

- i) define and distinguish between frictional, structural, real-wage (classical) and Keynesian unemployment;
- ii) identify examples of the different classifications of unemployment;
- iii) define inflation;
- iv) describe the long-run and short-run Phillips curve;
- v) explain the trade-off between unemployment and inflation in the context of anticipated and unanticipated inflation.

**7.b.5 - a general knowledge and understanding of the foreign exchange market, government policy and exchange rates, fixed floating and managed exchange rates, and the balance of payments**

The candidate should be able to

- i) explain how changes in supply and demand for a currency will affect its value on the foreign exchange markets;
- ii) identify the key components of the balance of payments;
- iii) explain the relationship between the supply and demand for a currency and the underlying transactions represented in the balance of payments;
- iv) distinguish between a fixed, floating and a managed exchange rate ('dirty-floating' regime);
- v) explain the economic benefits and costs of a fixed exchange rate mechanism;

- vi) explain the notion of purchasing power parity as a forecasting tool for exchange rates;
- vii) explain the effectiveness of monetary and fiscal policy in fixed and floating exchange rate regimes.

## TOPIC AREA 8: Statistics

### Section 8 (a): Sources of Data

#### 8.a.1 - a general knowledge and understanding of tabulation, graphs, scatter plots, pie charts and histograms

The candidate should be able to

- i) distinguish between primary and secondary sources of data;
- ii) identify examples of primary and secondary data;
- iii) distinguish between a population and a sample;
- iv) explain the key sampling methods;
- v) distinguish between continuous and discrete data;
- vi) define categorical data and explain how it can be converted to ordinal data;
- vii) interpret a frequency and relative frequency distribution;
- viii) explain the use of the following in the presentation of data:
  - Lorenz curve
  - pie chart
  - bar chart
  - histogram
  - scatter plots
  - graphs.

### Section 8 (b): Summary Data and Linear Regression

#### 8.b.1 - a general knowledge and understanding of averages, arithmetic and geometric mean, mode, median, measures of dispersion, range, quartile, percentile, and standard deviation

The candidate should be able to

- i) define, explain and calculate the following measures of central tendency for both raw data and interval data:
  - arithmetic mean
  - geometric mean
  - median
  - mode
- ii) distinguish between symmetric and skewed data;
- iii) explain the relationship between the mean, median and mode for symmetric and skewed data;
- iv) define, explain and calculate the following measures of dispersion for both raw data and interval data:
  - standard deviation (population and sample)
  - variance
  - range
  - quartiles and percentiles
  - inter-quartile range;
- v) explain the notion of statistical significance in the context of investment decisions.

#### 8.b.2 - a general knowledge and understanding of correlation and bivariate linear regression

The candidate should be able to

- i) explain the least-squares regression technique in deriving a line of best fit;
- ii) distinguish between the dependent and independent variable;
- iii) interpret the intercept and gradient components of a regression line;

- iv) calculate a forecast value for the dependent variable given the regression line equation;
- v) distinguish between interpolation and extrapolation;
- vi) explain and interpret the correlation coefficient in the context of linear regression;
- vii) explain the shortfalls in the application of linear regression to forecasting.

## Section 8 (c): Index numbers

### 8.c.1 - a general knowledge and understanding of index numbers, their construction, uses and interpretation

The candidate should be able to

- i) explain the purpose of an index value;
- ii) calculate an index level for the current year, given the base year data and the current year data;
- iii) explain the role of financial market indices in fund management;
- iv) explain and calculate a price relative for a share;
- v) calculate and interpret a simple arithmetic index;
- vi) calculate an index level having re-based the index series;
- vii) calculate and interpret a geometric index;
- viii) calculate and interpret a market value weighted index;
- ix) understand the composition and construction of key global bond and equity market indices;
- x) explain the relevance of free-floating indices.

## Section 8 (d): Financial Mathematics

### 8.d.1 - a detailed knowledge and understanding of simple and compound interest

The candidate should be able to

- i) distinguish simple interest from compound interest;
- ii) calculate simple and compound interest over multiple periods;
- iii) distinguish a nominal (simple) annual interest rate from an effective (compound) annual rate;
- iv) calculate the annual compound rate given the nominal rate and the frequency of compounding;
- v) calculate the annual nominal rate of interest given the annual compound rate and the frequency of compounding;
- vi) explain the concept of continuous compounding;
- vii) calculate the effective continuously compounded rate given the nominal rate.

### 8.d.2 - a detailed knowledge and understanding of present and future value calculations, annuities, perpetuities, and mortgages

The candidate should be able to

- i) calculate and interpret future values for:
  - single sums
  - annuities;

- ii) calculate and interpret present values for:
  - single sums
  - annuities
  - perpetuities;
- iii) calculate equal instalments on a repayment mortgage given the present value of the borrowings, the fixed mortgage rate and the term of the borrowing.

**8.d.3 - a detailed knowledge and understanding of the internal rate of return and net present value**

The candidate should be able to

- i) calculate and interpret the net present value of a series of investment cash flows;
- ii) calculate and interpret an internal rate of return;
- iii) explain how NPVs and IRRs can be used in investment decision making;
- iv) explain the limitations of each technique;
- v) explain why decisions using each technique may conflict;
- vi) explain the scenarios in which multiple IRRs may occur.

**Readings**

Buckle, Mayes & Thomas; IMC Official Training Manual, (OTM) 6<sup>th</sup> Edition (contact the UKSIP Office for details of availability)

**Background Readings**

- FSA Handbook of Rules and Guidance
- J. Rutterford and M Davison; Introduction to Stock Exchange Investment, 3rd Edition, Palgrave Macmillan, 2007
- W. Sharpe, G. Alexander and J Bailey; Fundamentals of Investments, 3<sup>rd</sup> Edition, Pearson Higher Education, 2001
- A. Millington; An Introduction to Property Valuation, 5<sup>th</sup> Revised Edition, Estates Gazette, 2000
- N. Enever and D. Isaac; The Valuation of Property Investments, 6<sup>th</sup> Revised Edition, Estates Gazette, 2006
- E. Elton and M. Gruber; Modern Portfolio Theory and Investment Analysis, 6<sup>th</sup> Edition, John Wiley, 2002
- G. Holmes, A. Sugden and P. Gee; Interpreting Company Reports & Accounts, 9<sup>th</sup> Edition, Pearson Higher Education, 2004
- D. Begg, S. Fischer and R. Dornbusch; Economics, 8<sup>th</sup> Edition, McGraw-Hill, 2005
- Curwin; Quantitative Methods for Business Decisions, 5<sup>th</sup> Edition, ITBP, 2001
- Blackstone's Guide to the Financial Services and Markets Act 2000, Oxford University Press, 2001