

## **MSc in Investment Banking and Islamic Finance**

### **For students entering in 2012/3**

Awarding Institution:	University of Reading
Teaching Institution:	University of Reading
Relevant QAA subject Benchmarking group(s):	
Faculty:	Henley Business School at Univ of Reading
Programme length:	1 years
Date of specification:	06/Sep/2012
Programme Director:	Prof John Board
Programme Advisor:	
Board of Studies:	Postgraduate Pre-Experience Board of Studies
Accreditation:	

### **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.

This programme is available via two methods of delivery (see below for modules studied in each option):

- 1) With overseas study component at INCEIF. On this option students will spend the three ordinary terms at Reading and then attend a fourth term (studying 20 credits) from June to August at INCEIF (the Global University in Islamic Finance) in Kuala Lumpur (KL). At INCEIF students will also benefit from combinations of industry visits, a one day Capital Market Course by the Securities Industry Development Corporation (SIDC), and industry talks. Other partner institutions may also be available in future years.
- 2) Full time in Reading. This involves the completion of a compulsory Research Project (20 credits) in the Spring term and the programme is completed in 9 months, with graduation in July.

All students will qualify for an exemption from Part 1 of the Chartered Islamic Finance Professional (CIFP) qualification from INCEIF if they successfully pass the MSc programme.

### **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**

#### *Compulsory Modules*

Code	Title	Credits	Level
ICM106	Financial Markets	20	7
ICM107	Securities, Futures and Options	20	7
ICM108	Fixed Income and Equity Investments	20	7
ICM232	Financial Analysis	20	7
ICM251	Corporate Finance	20	7
ICM255	Design, Implementation and Risk Aspects of Islamic Financial Products	20	7
ICM257	The Principles of Islamic Commercial Jurisprudence and the Nominate Contracts	10	7
ICM258	Islamic Financial Institutions and Markets	10	7
ICM218	Research Project	20	7
ICM280	The Financial Analysis of Islamic Financial Institutions	10	7

In addition students may choose one of the following modules:

Code	Title	Credits	Level
ICM228	Topics in the History of Finance	10	7
ICM278	New Approaches to International and European Financial Market Regulation	10	7
ICM241	International Securities Markets	10	7
ICM264	Managing Securities Operations	10	7
ICM266	Essentials of Financial Engineering	10	7
ICM279	International Equities and Bonds and the Current Economic Situation	10	7

Students following the overseas study option take the following compulsory options at INCEIF in Kuala Lumpur:

Code	Title	Credits	Level
ICM269	Islamic Economics	10	7
ICM259	Wealth Planning and Management	10	7

### **Part-time or 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:

### **Mark Interpretation**

70 - 100% Distinction

60 - 69% Merit

50 - 59% Good standard (Pass)

### **Failing categories:**

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 not exceed 55 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 not exceed 55 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.

### **Admission requirements**

Entrants to this programme are required to have obtained a first degree the equivalent of a British upper second class honours degree or equivalent from an overseas institution. Degrees can be in any discipline but applicants must demonstrate a satisfactory level of numeracy and have basic knowledge of Mathematics, Statistics, Economics and Accounting.

For applicants whose first language is not English, proof of proficiency is required.

### **GMAT**

Applicants are strongly recommended to submit a GMAT score with their application, particularly if they have been out of education for more than a few years. The ICMA Centre may ask an applicant to submit a GMAT if it is deemed appropriate.

**Admissions Tutor:** Dr Simone Varotto

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

University support for students and their learning falls into two categories. Learning support is provided by a wide array of services across the University, including: the University Library, the Student Employment, Experience and Careers Centre (SEEC), In-sessional English Support Programme, the Study Advice and Mathematics Support Centre teams, IT Services and the Student Access to Independent Learning (S@il) computer-based teaching and learning facilities. There are language laboratory facilities both for those students studying on 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, School Senior Tutors, the Students' Union, the Medical Practice and advisers in the Student Services Centre. The Student Services Centre is housed in the Carrington Building and offers advice on accommodation, careers, disability, finance, and wellbeing. Students can get key information and guidance from the team of Helpdesk Advisers, or make an appointment with a specialist adviser; Student Services also offer drop-in sessions and runs workshops and seminars on a range of topics. For more information see [www.reading.ac.uk/student](http://www.reading.ac.uk/student)

### **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.

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

Students taking the 12 month programme will be expected to spend eight weeks, from June to August studying at INCEIF, Kuala Lumpur, Malaysia. Those students taking the 10-month version study in Reading/have no overseas study opportunity.

### **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**

##### **A. Knowledge and understanding of:**

1. fundamental techniques for portfolio selection, valuation of risky assets and financial decision-making
2. practical techniques for developing strategies for the analysis of debt, equity and derivative securities
3. analytical techniques used routinely in the finance research literature
4. techniques in econometrics comprising model estimation and interpretation, hypothesis testing, and analysis of non-stationary data
5. structures and functions within the global financial securities industry
6. principles and theories underpinning Islamic finance
7. approaches utilised by Investment banks working within the field of Islamic finance

##### **Teaching/learning methods and strategies**

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.

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.

##### *Assessment*

Knowledge is tested via multiple-choice tests, tutor-marked assignments, and unseen written examinations.

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

#### **Skills and other attributes**

##### **B. Intellectual skills - able to:**

1. gather, analyse and interpret data
2. read, understand and discuss the relevant literature in refereed academic journals
3. think logically and apply analytical principles to a range of problems in finance
4. interpret news events and assess their potential

##### **Teaching/learning methods and strategies**

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

effects upon the global financial markets

comprehensible.

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.

#### *Assessment*

Through tutor-marked assignments, project work, problem sets and unseen written examinations.

### **C. Practical skills - *able to:***

1. use Information Technology effectively
2. utilise econometrics software to critically analyse financial data
3. communicate ideas online
4. utilise Reuters and Bloomberg business information and analytical tools
5. use spreadsheet software to analyse complex practical problems in finance
6. operate effectively in a simulated dealing-room environment, including the ability to manage bid/ask spreads
7. Appreciate the principles to be able to structure Islamic finance products

### **Teaching/learning methods and strategies**

- 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.
- Teaching is supported by a Learning Management System that requires students to participate in asynchronous online discussions.
- Spreadsheet tasks and software modelling are included in the teaching of modules such as Securities Futures and Options.

#### *Assessment*

These are assessed through INVEST dealing-room sessions, computer-based sessions and tutorials.

### **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

### **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 process or external sources, such as professional bodies, requires a change to be made. In such circumstances, a revised specification will be issued.**