

## **MSc in International Shipping and 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:	21/Sep/2012
Programme Director:	Dr George Alexandridis
Programme Advisor:	
Board of Studies:	Postgraduate Pre-Experience Board of Studies
Accreditation:	

### **Summary of programme aims**

The programme combines three main components/areas: finance, shipping finance and general shipping. Its ultimate aim is to prepare graduates for a career in the finance area of the shipping industry or in the wider shipping and finance industries. Indicative career paths in the shipping industry are: finance, accounting and risk management departments of shipping (and transportation) companies, ship-broking companies (including derivatives desks), shipping divisions of banks, shipping consulting companies and ship finance arrangers. Moreover, students may pursue careers in the wider finance sector.

The programme will provide participants with the opportunity to develop and demonstrate their understanding of both the theory and practical applications of mainstream finance, shipping finance and general shipping. It also aspires to respond to the continuous growth in the shipping industry, in traditional shipping markets, such as Greece, United Kingdom, Belgium, Denmark, Norway, Germany, Netherlands and Italy, but also emerging shipping markets, such as India, China and other Asian countries.

It primarily aims to equip students with the fundamentals of finance and corporate finance (existing ICMA Centre core components) and then build up this knowledge base with more specialised shipping finance and general shipping related elements (ALBA components). The programme aims to attract graduates seeking either to develop, or to embark upon, a finance-based career in connection with the shipping industry.

The MSc programme will be offered on a full-time residential basis. Students will study in Reading from October until March and then attend the rest of the second term from March to April at ALBA Graduate Business School. ALBA is a top European Business School with world-renowned academic faculty and is widely recognised by both the business community and accreditation/professional bodies, such as AMBA, EFMD/EPAS, CFA, ICS and others. Most importantly, it specialises in shipping finance and shipping-related courses, is well linked with the local and international shipping industry and is based in Athens, Greece, which is a country with a long standing tradition in shipping and one of the largest maritime clusters in the world. The format can be summarised as follows:

- Term 1 (Autumn): Students attend University of Reading - ICMA Centre modules (50 credits) and also two shipping-related modules (40 credits) delivered in Reading by an ALBA faculty members. They also attend some lectures in Quantitative Methods for Finance and other shipping and finance related workshops on a not-for-credit basis, with the aim of enriching their practical knowledge. Students sit all Part 1 modules in January.
- Term 2 (Spring: January-February): Students attend University of Reading - ICMA Centre modules (one 10 credit compulsory module and two 10 credit options) and also two shipping finance related modules (30 credits) delivered in Reading by an ALBA faculty member.
- Term 2 (Spring: March-April): Students attend ALBA in Athens. The two 20 credit modules from term two continue to run in Athens. Students also take 2 additional ALBA shipping finance and general shipping-related modules (two 20 credit modules). Students sit all term 2 modules in Reading (May-June).
- Graduation takes place in July

### **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 (like the shipping sector). All other skills are transferable and

therefore not specific to particular companies 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 classroom/seminar discussions that support their learning. The Securities, Futures and Options and Fixed Income and Equity Investment modules, for example, 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 finance and risk management in shipping. It will enable applied knowledge of the problems, issues and alternative methods involved in shipping finance, together with a strong understanding of the general shipping environment through mainstream shipping-related courses. The programme focuses on the general principles of financial management by shipowning and ship operating companies and the impact of economic variables on the financial operations of shipping business organizations. The end goal is to provide students with the tools necessary to conduct accurate financial analysis for investment purposes and to construct effective risk management solutions in the shipping industry. At the end of the programme, the students will be able to develop, appraise, negotiate and choose among alternative investment and risk management proposals which exist in the shipping industry.

### **Programme content**

Students study 180 credits in total. Part 1 consists of 80 compulsory credits and the 7-hour workshop 'Overview of Shipping Markets' (not for credit). At Part 2 in Reading, they study 60 credits consisting of two 20 credit compulsory modules and a choice of two 10 credit modules. The two 20 credit modules continue in Athens. At Part 2, in Athens they study additional two 20 credit compulsory modules and attend two 7-hour (each) workshops 'Maritime Accounting' and 'Shipping Strategy' (not for credit). Overall, students take 100 credits of Reading modules and 80 credits of ALBA modules.

ICM107	Securities, Futures and Options	20	7
ICM108	Fixed Income and Equity Investments	20	7
ICM119	Fundamentals of Financial Markets	10	7
ICM276	Maritime Economics and International Trade	20	7
ICM284	Corporate Financial Management	10	7
ICM275	Shipping Finance and Investment	20	7
ICM273	Derivatives and Risk Management in Shipping	20	7
ICM274	Chartering Policy and Charterparty Analysis	20	7
ICM120	Maritime Logistics Management	10	7
ICM283	Economics Modelling and Analysis of Shipping Markets	10	7

Students must choose two modules from the following:

ICM227	Mergers and Acquisitions	10	7
ICM265	Commodity Derivatives	10	7
ICM253	Enterprise Valuation	10	7
ICM252	Strategic Planning and Budgeting	10	7
ICM241	International Securities Markets	10	7
REMF27	Real Estate Finance	10	7
ICM267	Stock Index Futures	10	7
ICM266	Essentials of Financial Engineering	10	7

### **Part-time or modular arrangements**

### **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, workshops 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 one 11-week term and one 15-week term split between Reading and Athens. Part 1 starts in late September / early October of each year. Examinations for Part 1 modules are held in

Week 1 of the following spring term. Part 2 up to the end of February (7 weeks) takes place in Reading and the remaining Part 2 (8 weeks in March and April) in Athens. Examinations for Part 2 are normally held in late May/early June in Reading.

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.\*

\*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. • 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 require an applicant to submit a GMAT score if we think it appropriate in their individual case.

#### *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

**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)

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. ALBA Graduate Business School also provides significant support for students and their learning. Learning support includes PC equipped study rooms, specialized software and simulations, library, databases, wireless network, careers advice and a Blackboard system. Students will also be assigned an advisor, while at ALBA, responsible for providing support on general, as well as, academic related issues.

### **Career prospects**

Graduates of the ICMA Centre have an enviable record of attainment when it comes to gaining employment in the financial services industry. Since its inception in 1994, at least 75% of our graduates each year have secured employment within three months of graduation. 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. ALBA Graduate Business School has established strong relations with the shipping industry and most of its graduates are employed either in the wider finance sector or the shipping industry. ALBA's agenda of career related activities is to a large extent similar to ICMA centre's and includes career coaching/advice, skills, career development events, fairs, guest speakers etc. There is currently a growing worldwide interest in Shipping Finance. The shipping industry is continuously expanding, and emerging shipping markets, such as China and India are experiencing particularly high growth. Shipping is also thriving in Europe, particularly in Scandinavian countries, The Netherlands, Monte Carlo, Germany and of course Greece that has the largest fleet in the world. The process of ship financing has recently evolved and new innovative financing methods, such as tax-based leasing, securitisation, mezzanine, government-backed ship finance schemes have been added to traditional ship mortgage finance. Along these lines, investment banks have launched specialised ship finance departments and desks to support these functions. Moreover, shipping derivatives have been developed in order to manage risks, emanating from fluctuations in freight rates, bunker prices, vessel prices, scrap prices, interest rates, and foreign exchange rates, more effectively, in a cheaper and more flexible manner. As a result, there is an increasing demand from shipping companies, consulting firms and investment banks for graduates that specialise in shipping finance knowledge. Students may also pursue careers in the wider finance sector. The global investment banking and securities markets attract the very best applicants and competition for entry/mid-level positions remains intense. Despite the volatile nature of the financial and shipping markets, demand for well-qualified recruits remains high. We expect many of our graduates to enter the industry at either the 'Analyst' level, as graduate trainees, or 'Associates', who tend to have several years of relevant professional experience.

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

Students will spend eight weeks from March to April studying, and 'experiencing' the Greek shipping environment, at ALBA Graduate Business School in Athens. The top graduating students (up to 20%) will be offered the opportunity to enter into internships with shipping companies.

### **Programme Outcomes**

## 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 regression framework 5. Structures and functions within the global financial securities and shipping industry 6. Principles and theories unpinning shipping finance 7. Methods and strategies in shipping risk management 8. Chartering analysis and strategy formulation 9. Approaches utilised by shipping companies

### 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. Case study based teaching will also be an important building block of both shipping finance and some finance modules. This body of knowledge is communicated by detailed, paper-based lecture notes. These are supported by 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 and shipping finance 4. Interpret news events and assess their potential effects upon the global financial and shipping markets

### Teaching/learning methods and strategies

Teaching/learning methods and strategies  
Substantive problems are illustrated in lectures and smaller group seminars. Essays, project work, case study based 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. 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 and shipping related 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*:

5. Use Information Technology effectively 6. Communicate ideas online 7. Utilise Reuters and Bloomberg business information and analytical tools 8. Use spreadsheet software to analyse complex practical problems in finance and shipping finance 9. Operate effectively in a simulated dealing-room environment

### 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 case study work, 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.

#### **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 and shipping 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

#### *Assessment*

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

#### **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, 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. Presentations by prominent guest speakers from the City of London (4). Students will also be required to work on shipping related case studies (2) and (3)

#### *Assessment*

Assessment of transferable skills is incorporated at several points in the programme. (3) contributes 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.**