

## 1.1 Module 3: Savings and Investment

### 1.1.1 Headline information about the module

<b>Module title</b>	Savings and Investment
<b>Module NFQ level (only if an NFQ level can be demonstrated)</b>	8
<b>Module number/reference</b>	3
<b>Parent programme(s) the plural arises if there are embedded programmes to be validated.</b>	Higher Diploma in Business in Pensions Management Certificate in Business in Pensions, Insurance and Investment
<b>Stage of parent programme</b>	1
<b>Semester (semester1/semester2 if applicable)</b>	2/1
<b>Module credit units (FET/HET/ECTS)</b>	ECTS
<b>Module credit number of units</b>	5
<b>List the teaching and learning modes</b>	PT
<b>Duration of the module</b>	8 weeks
<b>Average (over the duration of the module) of the contact hours per week (see * below)</b>	3

<b>Analysis of required learning effort</b>		
<b>*Effort while in contact with staff</b>	<b>Minimum ratio teacher / learner</b>	<b>Hours</b>
Classroom and demonstrations	1:60	18
Monitoring and small-group teaching	1:30	18
Other (specify)	-	-
<b>Independent Learning</b>		
Directed e-learning (hours)		-
Independent Learning (hours)		40
Other hours (group project)		49
Work-based learning hours of learning effort		-
<b>Total Effort (hours)</b>		125

<b>Allocation of marks (within the module)</b>					
	<b>Continuous assessment</b>	<b>Supervised project</b>	<b>Proctored practical examination</b>	<b>Proctored written examination</b>	<b>Total</b>
<b>Percentage contribution</b>	20	-	20	60	100%

### 1.1.2 Module aims and objectives

This module provides learners with a comprehensive understanding of the investment environment, the different types of investment classes and corresponding risks and returns associated with different types of assets. It provides a practical applied knowledge of the range of financial securities and products available in the Irish marketplace. It develops corresponding analytical skills to critique each type of financial security and the requisite skill set to identify, critically analyse and select financial products which are appropriate to individual client risk profiles and meet their investment objectives.

### **1.1.3 Minimum intended module learning outcomes**

On successful completion of this module, learners are able to:

- (i) demonstrate an enhanced knowledge of how the financial services sector operates, identifying the key participants and the interrelationships between them
- (ii) critique the range of asset classes and management styles and evaluate the pivotal role they play in meeting investment objectives
- (iii) critically assess the different types of risk associated with different classes of investments and evaluate methods of managing this risk
- (iv) appraise the range of savings and investment products available in the Irish marketplace
- (v) evaluate the investment objectives and risk profile of a given client and demonstrate the analytical skills necessary to analyse and select appropriate investment assets needed.

### **Rationale for inclusion of the module in the programme and its contribution to the overall MIPLOs**

Investments are a key part of pension provision, often meaning the difference between success and failure. Pension investments are part of the same environment as personal savings and often occupy the same role. Learners need to be familiar with the alternative investment strategies available and understand the special risks involved in long-term pensions investment.

This module supports the achievement of MIPLOs: (i), (ii), (iii), (iv), (v), (vi) and (x).

### **1.1.4 Information provided to learners about the module**

This module consists of lectures and workshops where learners are provided with practical questions so that they can develop the analytical tools necessary to determine the financial implications of the activities conducted by business and enhance their ability to make sound decisions in an entrepreneurial context.

Learners are supported with resources to offer structure and guidance which include a set of lecture notes and reading materials as well as a detailed module curriculum that includes the module learning outcomes, a class schedule, the necessary reading material and the assignment strategy. Participants also have access to Moodle, the College's Virtual Learning Environment (VLE).

### **1.1.5 Module content, organisation and structure**

#### **6.3.6.1 The Financial Services Industry**

- Financial Markets
- The Functions of Money
- The Main Services Provided by Financial Intermediaries
- The Key Financial Institutions
- The Main Financial Products and Services
- Introduction to Capital Markets
- Classification of Capital Markets
- Performance of capital markets
- Environmental, Social and Governance Investing (ESG)

### **6.3.6.2 Investment Needs and Risk Profiling**

- Investors
- Financial Needs
- Liabilities
- Time Horizons
- Income and Spending Requirements
- Liquidity Requirements
- Risk and Return Objectives, optimising vs. maximising returns
- Determining Risk Profiles
- Behavioural Economics and Personal Investments and Savings
- Areas of Interest to Personal Finance
- Time Discounting
- Examples of Pension Product Developments

### **6.3.6.3 Introduction to Investments**

- Main and Alternative Asset Classes
- Different Types of Risk
- Volatility, A Measure of the Risk of Investment Returns
- Yield gap and equity risk premium
- Introduction to Modern Portfolio Theory
- The Seven Immutable Laws of Investing
- Economic Social and Governance (ESG) considerations

### **6.3.6.4 Bonds**

- Introduction to Bonds, what is a bond, terminology, yield, risk
- Credit Ratings and Rating Agencies
- National Treasury Management Agency
- Irish Government Bonds
- Pricing of bonds
- Tracker Bonds, life assurance, deposit, variation in taxation of deposit and life assurance tracker bonds
- Other Government Bonds
- Corporate Bonds
- Buying and selling bonds

### **6.3.6.5 Deposits**

- An Post Savings and Savings Bonds,
- National Solidarity Bond
- Deposit accounts
- Deposit Protection Schemes
- Deposit Interest Retention Tax
- Credit Union Savings

### **6.3.6.6 Equity Capital Markets**

- Quoted and Unquoted Shares
- Types of Companies
- Introduction to Investing in Shares
- Relative Valuation of Equities and Shares
- The Irish Stock Exchange (ISE)
- ISEQ Indices and Key Performance Indicators

- Other stock markets
- Buying and Selling Shares, methods, process, costs, settlement
- Risks of Investing in Shares
- Taxation of Investing in Shares
- Bonus / Rights issues
- Insider Dealing and the Main Provisions of the Companies Act, 1990
- Employee Share Incentives
- Designated Investment Funds
- ESG

#### **6.3.6.7 Collective Investment Schemes**

- Collective Investments v Individual Direct Investment
- Collective Investment Funds
- Legal Structures and Regulatory Provisions
- Undertakings for Collective Investments in Transferable Securities (UCITS)
- Non-UCITS Funds, alternative investment funds, designated investment funds, investment limited partnerships, government approved employment investment funds, EII (formally BES)
- Fund performance, past performance, future predictions
- Taxation of the various collective investment funds
- Offshore Investment, tax reporting responsibilities
- Fund Management Styles
- Hedge Funds
- Exempt unit trusts, differences in non-exempt, who can invest, legislation

#### **6.3.6.8 Investment Linked Life Assurance Policies**

- Savings Plans
- Investment Bonds
- Charging Structures for Life Assurance Products
- Comparison between Life Assurance Investments and Collective Investment Schemes
- Taxation of Life Assurance Savings and Investment Products
- Review of available funds

#### **6.3.6.9 Derivatives and Exchange Traded Funds**

- Derivatives, options, futures, contracts for difference, covered warrants, stock options, swaps
- Exchange Traded Funds (ETFs)
- iShares EURO STOXX 50

#### **6.3.6.10 Legislation & Regulation for Investments**

- Consumer Protection Code and Investments
- Trustee Authorised Investment Act, 1958
- Taxes Consolidation Act 1997
- Credit Union Investments
- Central Bank Register
- Pension Investment Regulations
- Various market abuse regulations

#### **6.3.6.11 Taxation and Investments**

- Deposit Interest

- Capital Gains
- Foreign tax
- Tax status of pension funds

#### **6.3.6.12 Economics and Investments**

- The Economy, GDP & GNP
- Inflation, Deflation, Unemployment: Causes and Effects
- The Consumer Price Index (CPI) in Ireland
- The Labour Force, Employment and Unemployment
- Monetary and Fiscal Policy
- Brexit
- Free Trade
- Pandemic implications

#### **6.3.6.13 Financial Maths**

- Inflation and Deflation
- Interest, Accumulation and Discounting
- Financial Terms
- Impact of Time on Life Assurance and Savings and Investment Needs
- Effect of charges

#### **6.3.6.14 Pension Investment Strategies**

- Defined Benefit and Defined Contribution
- Duration
- Maturity
- Liabilities
- Member selection
- AVCs
- Life styling
- Explaining risk to members
- Investment regulations, restrictions and limitations
- ESG factors
- Deferred members
- Post retirement strategies.

### **1.1.6 Module teaching and learning strategy**

Programme content is delivered by means of lectures and workshops with prior preparation. Learners are required to read and prepare for classes beforehand with the emphasis on interactive discussions, participative group work and learning by doing in class. Practice problems and case study analysis play a large part in ensuring that learners learn and understand how accounting is employed in decision-making and the role of management accounting within the wider organisational context.

Learners are required to research and report on the relative merits of different investment options, performance, risk and charges. This requires individual and collaborative learning, under the guidance of the lecturer.

### **1.1.7 Work-based learning and practice-placement**

There is no practice-placement element within this module.

### 1.1.8 E-learning

Moodle, the College's Virtual Learning Environment (VLE), is used to disseminate notes, advice, and online resources to support the learners. The content includes timetables, handbooks, assignment hand-up schedules, class plans, class PowerPoint presentations, Q&A forums, notes, activities, industry samples and support resources. Learners are also given access to LinkedIn Learning as a resource for reference.

### 1.1.9 Module summative assessment strategy

Learners practise and demonstrate teamwork and interpretative and communication skills in the continuous assessment of the module, which is conducted in two parts:

- The learner researches and reports on the relative merits of different investment options, performance, risk and charges. This requires individual and collaborative learning, under the guidance of the lecturer. Learners submit an analysis on the performance of investment funds.
- The learner prepares a written client report and identify recommendation to advise on the best course of action.

The final assessment is in the form of a proctored examination, with questions which contain both theoretical and practical elements with all of the learning outcomes assessed in the exam. 60% of the marks are allocated to this piece of the work.

No	Description	MIMLOs	Weighting
1	Case study: client investment advice	(i), (ii), (iii), (iv) and (v)	20%
2	Research Project: Performance of Funds	(i), (ii), (iii) and (iv)	20%
3	End of semester examination	(i), (ii), (iii), (iv) and (v)	60%