



Investment Banking and Analysis Certification

Summary of the Syllabus

OBJECTIVE OF THE EXAMINATION

This Certification Examination is specifically designed to meet the certification needs of the financial market participants at brokerage houses and asset management companies providing investment advice.

TARGET AUDIENCE

This certification is mandated for all intermediaries in the financial market of Pakistan.

SYLLABUS STRUCTURE

The unit is divided into elements. These are broken down into a series of learning objectives. Each learning objective begins with one of the following prefixes: **know**, **understand**, **be able to calculate** and also **be able to apply**. These words indicate the different levels of skill to be tested. Learning objectives prefixed:

- **know** require the candidate to recall information such as facts, rules and principles
- **understand** require the candidate to demonstrate comprehension of an issue, fact, rule or principle
- **be able to calculate** require the candidate to be able to use formulae to perform calculations
- **be able to apply** require the candidate to be able to apply their knowledge to a given set of circumstances in order to present a clear and detailed explanation of a situation, rule or principle

EXAMINATION SPECIFICATIONS

Each examination paper is constructed from a specification that determines the weightings that will be given to each element. The specification is given below.

It is important to note that the numbers quoted may vary slightly from examination to examination as there is some flexibility to ensure that each examination has a consistent level of difficulty. However, the number of questions tested in each element will not change by more than plus or minus 2.

Examination Specification		
100 multiple choice questions		
Element No.	Elements	Questions
1	Introduction to Investment Banking	10
2	Relationship Management	15
3	Business Valuation	15
4	Financing	15
5	Mergers and Acquisitions	15
6	Asset Management	15
7	Role of Investment Banking In the Financial Crisis of 2008	15
	Total	100

ASSESSMENT STRUCTURE

- This will be a 150 minutes examination of 100 Multiple Choice Questions.
- All questions will carry equal marks.
- There will be no negative marking.

SUMMARY OF THE SYLLABUS

ELEMENT 1

Introduction to Investment Banking

- 1.1 History of investment banking
- 1.2 Defining an investment bank
- 1.3 Core activities of an Investment Bank
- 1.4 Structure of an investment bank
- 1.5 Investment banking landscape in Pakistan

ELEMENT 2

Relationship Management

- 2.1 Introduction
- 2.2 What is CRM?
- 2.3 CRM for Competitive Advantage
- 2.4 Changing Mind sets

ELEMENT 3

Business Valuation

- 3.1 What is Business Valuation? – An Introduction
- 3.2 Comparable Company Analysis - CCA
- 3.3 Precedent transaction analysis
- 3.4 Discounted Cash Flow Analysis
- 3.5 Leveraged Buyout

ELEMENT 4

Financing

- 4.1 Price-Setting Mechanisms
- 4.2 The Key Steps of the IPO Process
- 4.3 Seasoned Equity Offerings (SEOs) and Rights Offerings
- 4.4 Conclusion - IPO
- 4.5 Equity Offerings: Syndicate Structure And Functions
- 4.6 Debt Offerings

ELEMENT 5

Mergers and Acquisitions

- 5.1 Why Companies Merge and Acquire
- 5.2 A Brief History of Mergers and Acquisitions
- 5.3 Mergers
- 5.4 Pros and Cons of A Merger
- 5.5 Antitrust Tool – Herfindal-Hershman Index (HHI)
- 5.6 Finding and Screening Candidates
- 5.7 Deciding On Acquisition Terms
- 5.8 Grading Criteria
- 5.9 Factors In Determining A Price
- 5.10 Acquisition Strategy And Process
- 5.11 Financing Of The Merger
- 5.12 The Use Of Capital Budgeting Techniques In Appraising The Acquisition
- 5.13 Risk Of The Acquisition
- 5.14 Holding Company
- 5.15 Hostile Takeover Bids

5.16 Defensive Measures By Targeted Company

5.17 The Valuation Of A Targeted Company

5.18 Accounting, Reporting And Disclosures For Business Combinations

5.19 Financial Statement Analysis Of Business Combination

5.20 Secp Guidelines On Mergers And Acquisitions

ELEMENT 6

Asset Management

- 6.1 Portfolio Management as a Process
- 6.2 The Portfolio Management Process Logic
- 6.3 The Execution Step
- 6.4 The Feedback Step
- 6.5 A Definition of Portfolio Management
- 6.6 Investment Objectives And Constraints
- 6.7 Constraints
- 6.8 The Dynamics of the Process
- 6.9 The Future of Portfolio management
- 6.10 The Ethical Responsibilities of Portfolio Managers
- 6.11 Alternative Investments

ELEMENT 7

Role of Investment Banking In the Financial Crisis Of 2008

- 7.1 A Snapshot
- 7.2 International Aspects
- 7.3 Implications of the Crisis

RECOMMENDED READINGS

The next section of this study guide covers a brief extract from some of the below mentioned documents. Candidates are advised to study the respective documents (in detail and original) which are available free-to-download from IFMP's website and / or the respective organization's websites.

1. Anti-Money Laundering Act, 2010
2. Anti-Money Laundering Ordinance, 2009
3. Anti-Money Laundering Regulations, 2008
4. Anti-Money Laundering Rules, 2008
5. Bond Automated Trading System (BATS) Regulations, 2009
6. Book Building Regulations, 2015
7. Broker Agents Registration Rules, 2001
8. CDC Act, 1997
9. CDC Regulations
10. Code of Corporate Governance, 2012
11. Commodity Exchange and Futures Contracts Rules (March, 2005) Companies Ordinance, 1984
12. Debt Securities Trustee Regulations, 2012
13. Directive to Brokers on Conduct of Business (February 7, 2003)
14. Income Tax Ordinance, 2001
15. ISE/ KSE/ LSE Listing Regulations
16. KSE Investor Protection Fund Regulations
17. KSE Cash Settled Future Contract Regulations (October, 2008)
18. KSE Members Default Management Regulations (September, 2009)
19. KSE Deliverable Future Contract Regulations (April, 2009)
20. General Regulations of KSE Amended (August 20, 2009)
21. Karachi Automated Trading System (KATS) Regulations (March, 1998)
22. KSE Investor Protection Fund Regulations
23. NCCPL Procedure, 2003
24. NCCPL Regulations, 2003
25. NCEL General Regulations (May, 2007)
26. Real Estate Investment Trust Regulation, 2015
27. Regulations Governing Over the Counter Market (September, 2009)
28. Regulations Governing System Audit of Brokers of Exchanges, 2004
29. Research Analysts Regulations, 2015
30. SECP Act, 1997
31. Securities (Leveraged Market and Pledging) Rules, 2011
32. Securities Act, 2015
33. Securities and Exchange Rules, 1971
34. Short Selling Regulations, 2002
35. Stock Exchange Members (Inspection of Books and Record) Rules, 2001