

SEMESTERS 5, 9	SimTrade		
Course coordinator	Prof. Longin	Language	English
Lecturer(s)		Nature	Elective
Contact hours	25 H	Prerequisite(s)	None
ECTS Number	4	Equivalent	

Summary & Objectives



In a pedagogical and fun manner, this course proposes an original approach to both financial markets and corporate finance. It uses the SimTrade simulation platform to discover financial markets and their interactions with the real world.

Based on the *learning by doing approach*, a large part of the course uses simulations: in a fictitious but realistic way, the SimTrader can send orders to buy or sell stocks within predefined and reproducible market scenarios. The originality of SimTrade is to simulate not only orders sent by SimTraders but also the realistic behavior of other traders, the events about firms and the evolution of financial asset prices. In such a complete simulated world, SimTraders have a direct impact on the market.

The objectives of this course are to present some basic parts of finance: financial markets and corporate finance. How do financial markets work? How can you intervene in financial markets? How firms are valued by financial markets? What are the activities and added-value of financial markets?

Beyond the on-line courses, market simulations, simtrading contests, case studies, and an experiment in behavioral finance, this course has nothing to offer but **hard work**. The return that you will get on this course depends on **your personal investment** only.

Course outline

The SimTrade course is structured by periods. Each period is composed of four different elements: courses, simulations, contests and case studies. There is a theme for each period:

Period 1: introduction to financial markets and to the simulation platform (trading)

Period 2: information in financial markets and firm valuation (financial analysis)

Period 3: activities of financial markets (market making)

Teaching methods

The course is an on-line course using the SimTrade application. It proposes different ways of learning: theoretical concepts through courses, practical applications through simulations (learning by doing), gaming through simtrading contests and link with reality through case studies.

In order to sustain attention and to boost confidence, a series of short sessions and webinars will be organized through the course by Prof. Longin.

Beyond theory and practice in finance, you will improve the following soft skills: to make decisions under risky and uncertain conditions and under stress, to deal with the complexity of information about firms and markets, and to develop autonomy and to reinforce self-confidence. This course is also an excellent opportunity to invest in your own mental software to optimize your learning process.

Course evaluation and grading

During the course, you can track your progression on line through the “My progress” page on the SimTrade application. This page gives you *in real time* your grade with all the details by course, simulation, contest and case study.

For courses, you are classically evaluated through multiple choice questions (MCQ). For simulations, you are evaluated by the market based on your performance. For simtrading contests, you are evaluated according to your rank. For case studies, you are evaluated by your peers.

You will also take a traditional exam at the end of the course.

The “My progress” page also gives your evolution with the Bloom profile (taxonomy of educational objectives): knowledge, understanding, application, analysis, evaluation and creation. Finally, this page suggests you a personalized path to progress through the course.



You need to get a grade higher than **10/20** to pass the ESSEC BBA course, and a grade higher than **15/20** to obtain your Finance Certificate powered by SimTrade. After the course, you can mention your certificate on your CV and your account on professional networks like LinkedIn to improve your value on the job market.

About the professor



François Longin is professor of finance at ESSEC Business School and consultant for financial institutions and firms. He graduated from the French engineering school Ecole Nationale des Ponts et Chaussées in 1990, and got in PhD in finance at HEC Paris in 1993 with his thesis “Volatility and extreme price movements in equity markets”. He then conducted research on financial markets at New York University and London Business School. His research works deal mainly with extreme events in finance and financial applications of extreme value theory in risk management and portfolio management. His works have been published in international scientific journals such as *Journal of Finance*, *Journal of Business*, *Review of Financial Studies*, *Journal of Banking and Finance* and *Journal of Derivatives*, *Journal of Futures Markets*.

The domain of expertise of Prof. Longin covers risk management for banks, portfolio management for fund management firms, financial management for firms and wealth management for individuals. He is a consultant for international institutions in these areas. More on www.longin.fr.

Prof. Longin currently contributes to the SimTrade project, which is **a pedagogical tool** to understand how financial markets work and to learn to act in financial markets, and **a research program** to better understand the behavior of individuals and the statistical characteristics of financial markets. More on www.simtrade.fr.