Title	Analyze the valuation of different assets and calculate the pricing
Code	106846L6
Range	Calculation of pricing for products and services. This applies to the wide range of private banking products and services customized to the financial needs of private banking clients.
Level	6
Credit	5 (for reference only)

Competency	Performance Requirements
	1. Demonstrate specialized knowledge in asset pricing
	    Be able to:
	• Demonstrate specialized knowledge in finance and quantitative modeling (e.g. Monte Carlo Simulation, Black-Shires Equation) in order to select the appropriate approach in valuation and pricing
	• Evaluate critically the features and structures of different private banking products and services in order to calculate the costs and pricing
	• Analyze the trends in economic and market development (e.g. interest rate, volatility of underlying asset) for projecting the future value of the assets
	2. Calculate the pricing of products and services:
	    Be able to:
	• Review the structures, components and features / operating mechanism of the customized solutions and calculate the costs
	• Estimate the returns (e.g. dividends, interests, capital gain) of the investments by using appropriate models
	• Identify the potential risks affecting the performance of the solutions and deploy appropriate hedging strategies
	• Calculate the final estimation of the value of underlying assets, taken into account the analysis on factors that may affect the investment performance, such as price, yield, volatility and economic influences
	• Determine the prices offered to clients by using appropriate pricing tools / valuation models
	3. Communicate the results to relevant parties:
	    Be able to:
	• Develop reports to outline the estimate methods and assumptions for obtaining approval
	• Explain the assessed value and pricing for communicating with relevant parties

Assessment Criteria	The integral outcome requirements of this UoC are: • Proposal on the pricing of different assets by employing suitable methods. This should be based on the analysis on the economic and market development, features of the underlying assets and costs incurred, etc.
Remark	