

‘Trading and Investments Simulation’

1) Name of institution

De Montfort University

2) Name of the initiative

‘International Trading and Investments’ within the MSc programme ‘Accounting and Finance’

3) Initiative Outline

In this investment simulation, PG Accounting and Finance students are asked to improve the financial and environmental performance of a student-managed fund, using industry-specific software and real-time data. Since moving to 30-credit modules and block teaching, sustainability has been embedded throughout this MSc programme. Before this capstone course, students will have studied financial and sustainability reporting, strategy, risk management, and corporate finance.

4) Context/history/need for initiative

With students coming predominantly from professional backgrounds, or with degrees in business, accounting or finance, this programme gives them maximum exemptions from CIMA professional exams (Chartered Institute of Management Accountants). Historically, sustainability has not been a part of these professional accountancy exams. Therefore, this initiative fills a knowledge gap, allowing students from diverse backgrounds to work towards a CIMA qualification, while developing the skills needed for the rapidly growing green jobs market.

5) What happens and how it is assessed

In preparation, students discuss the [Arup 2050 Scenarios](#) – Humans Inc, Extinction Express, Greentocracy and Post Anthropocene. They are encouraged to approach future uncertainty as an epistemological problem – where financial markets are not “clocks” whose direction can be predicted, but are “clouds” which reflect our collective expectations and behaviours.

They manage the student fund using industry-specific software (LSEG Workspace) under an academic licence. Each student is appointed as an analyst for a specific sector. Before trading, students write an essay (in-person) on the history of stock markets, investor behaviour, and the material factors which affect firm performance, including environmental, social and governance factors (ESG). Students complete trading diaries which they use to reflect on the effectiveness (or not) of their recommendations. At the end of the module, they summarise the financial and environmental performance of the student fund, including an investment recommendation for their imaginary client.

6) Green skills developed

As well as applying their knowledge of financial and sustainability reporting, students develop the green skills needed for a career in sustainable finance and investments. This includes not just technical skills, but reflective skills (through their diaries) and decision-making skills.

7) Contribution to leverage points

This contributes to Project Drawdown 'Investments and Financing' through the re-direction of investment towards climate and sustainability solutions.

8) Impact, successes, challenges

The intense nature of the simulation, using real-time data, results in a high cognitive load for the students. In the first few weeks, students under-trade - an anchoring or status quo bias - which we reflect upon in the classroom. Later, students show a preference for quantitative models over the analysis of unstructured macroeconomic and stock-specific news. To overcome their high cognitive load, students are provided with an AI agent to support decision-making and incorporate unstructured data. In turn, this prompts further discussions about the use of AI to overcome behavioural biases in decision-making. In their trading diaries, students report positively about work readiness.

9) Advice for others

If you are considering a real-time simulation, go for it! We know that experiential learning positively influences students' perception of their work readiness. We know, too, that work environments are increasingly complex and data-driven. Additionally, analyses using industry-specific software and real-time data, coupled with essays written in-person and reflective diaries, provide safeguards against the use of generative AI.

Experiential learning also comes with challenges. Authentic assessment requires additional administration, such as keeping track of students' trades. There are IT challenges – software enrolments, additional support for students who are absent from the classroom. Lastly, the industry-specific software used – LSEG Workspace - requires a minimum specification PC and data connection, which potentially brings additional costs for students.