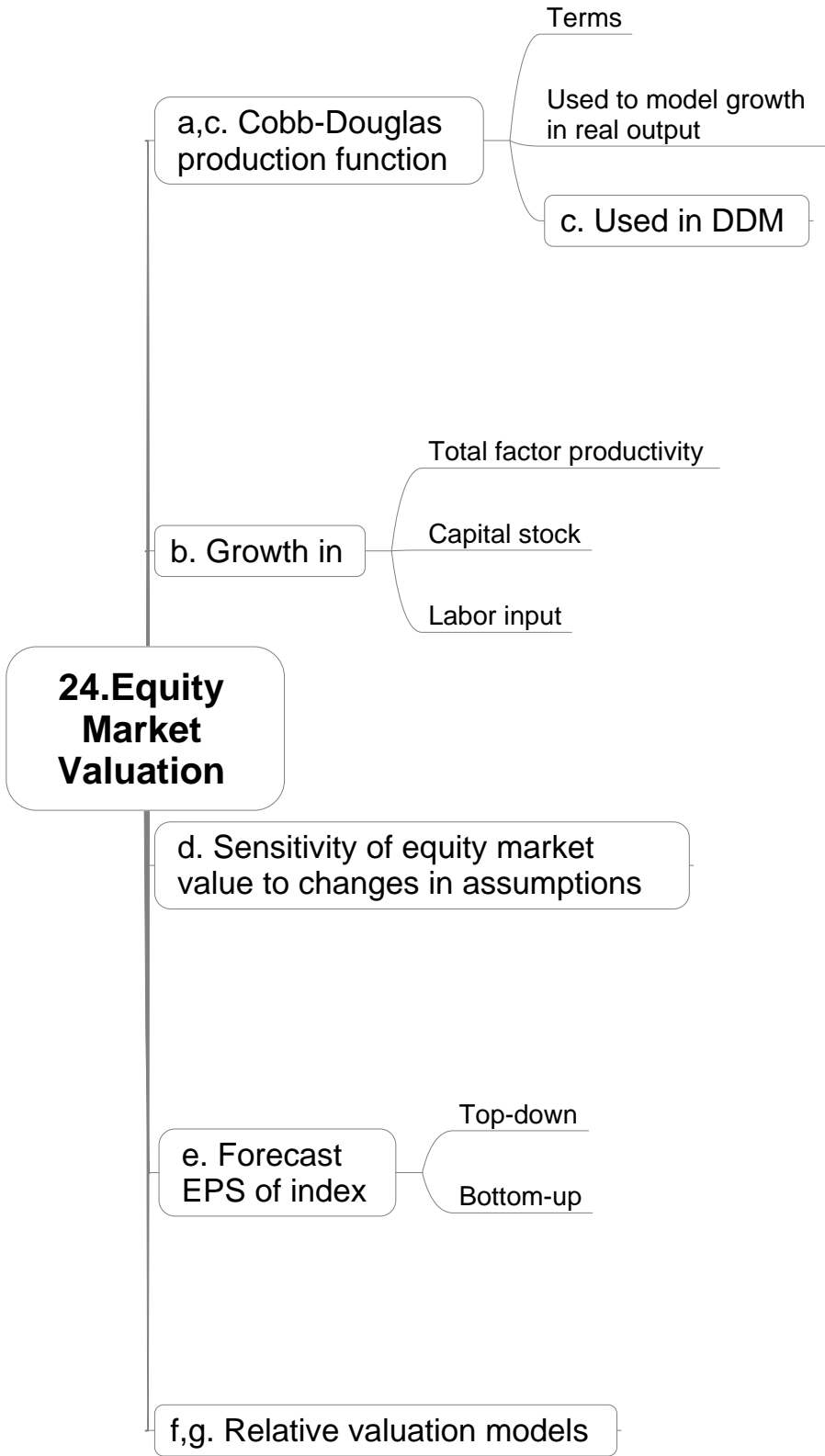


CFA LEVEL 3

STUDY SESSION 7

**ECONOMIC CONCEPTS
FOR ASSET VALUATION**



BRICs = Brazil, Russia, India & China

a. Economic potential of the BRICs

Potential economic size & growth

Demographics & Per capita income

Growth in Global spending

Trends in real exchange rates

b. Economic growth

Potential returns on capital & productivity

Appreciating currencies

25. Dreaming With BRICs: The Path To 2050

c. Elements of economic growth

Technological progress

Growth in capital stock

Employment growth

d. The conditions for sustained economic growth

Macroeconomic stability

Institutional efficiency

Open trade

Worker education

e. Emerging markets in a portfolio