

## **Investment and Portfolio Management**

### **FIN-ISS309**

#### ***Course Description***

This course will be focusing but not limited to the following topics: portfolio theory and asset pricing models; the process of portfolio management; establishing objectives; industry and company analysis; constructing and managing a portfolio; measuring and evaluating portfolio performance.

#### ***Required Texts***

Investments, 12th Edition by Zvi Bodie, Alex Kane, and Alan Marcus

*Supplemental readings will be distributed through your student center.*

#### ***Prerequisite***

Calculus I, Business Statistics, Principles of Microeconomics and Principles of Macroeconomics

#### ***Course Requirements***

During the term, there will be one midterm exam (30%), one final exam (40%) and two writing case projects (20%). Class attendance and participation will account for 10% of your final grade.

#### ***Learning Outcomes***

- ❖ Learn to compute historical and expected returns, as well as risk measures and comprehend the importance of the risk-return relationship.
- ❖ Define the objectives in constructing and managing a portfolio and learn to create an investment policy statement.
- ❖ Learn how the financial markets operate, how you can invest in different security types matching your client's portfolio objectives and constraint.
- ❖ Understand the principles of modern portfolio theory and the effect of diversification on investment portfolios.
- ❖ Measure and evaluate portfolio performance and understand the key features of futures and options and how you can be used to manage the risk of the portfolio.
- ❖ Learn to communicate effectively orally and through writing

## *Evaluation and Grading*

A	93-100	B-	80-82	D+	67-69
A-	90-92	C+	77-79	D	63-66
B+	87-89	C	73-76	D-	60-62
B	83-86	C-	70-72	F	0-59

## *Course Hours*

The course has 20 class sessions in total. Each class session is 150 minutes in length, for a total of 3000 minutes of in-class time. Students are expected to spend 15-20 hours per week outside of class. The University awards 4 credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

## *Attendance*

Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. The University's policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, **the University's policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

## *Academic Honesty*

The University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

## *Disability Accommodation*

Any student who needs special accommodation due to the impact of disability should inform the University within 10 days before the program starts.

### *Course Topics*

Lecture	Contents	Readings
1	<ul style="list-style-type: none"> <li>Overview of the Course</li> <li>The Investment Environment</li> </ul>	CH 1
2	<ul style="list-style-type: none"> <li>Asset Classes and Financial Instruments</li> </ul>	CH 2
3	<ul style="list-style-type: none"> <li>How Securities Are Traded</li> </ul>	CH 3
4	<ul style="list-style-type: none"> <li>Mutual Funds and Other Investment Companies</li> </ul>	CH 4
5	<ul style="list-style-type: none"> <li>Risk, Return, and the Historical Record</li> </ul>	CH 5
6	<ul style="list-style-type: none"> <li>Capital Allocation to Risky Assets</li> </ul>	CH 6
7	<ul style="list-style-type: none"> <li>Efficient Diversification</li> <li>Index Models</li> </ul>	CH 7-8
8	<ul style="list-style-type: none"> <li>The Capital Asset Pricing Model</li> </ul>	CH 9
9	<ul style="list-style-type: none"> <li>Arbitrage Pricing Theory and Multifactor Models of Risk and Return</li> </ul>	CH 10
	Midterm Exam	
10	<ul style="list-style-type: none"> <li>The Efficient Market Hypothesis</li> </ul>	CH 11
11	<ul style="list-style-type: none"> <li>Behavioral Finance and Technical Analysis</li> </ul>	CH 12
12	<ul style="list-style-type: none"> <li>Empirical Evidence on Security Returns</li> </ul>	CH 13
13	<ul style="list-style-type: none"> <li>Macroeconomic and Industry Analysis</li> </ul>	CH 17
14	<ul style="list-style-type: none"> <li>Equity Valuation Models</li> </ul>	CH 18
15	<ul style="list-style-type: none"> <li>Financial Statement Analysis</li> </ul>	CH 19
16	<ul style="list-style-type: none"> <li>Portfolio Performance Evaluation</li> </ul>	CH 24
17	<ul style="list-style-type: none"> <li>International Diversification</li> </ul>	CH 25
18	<ul style="list-style-type: none"> <li>Hedge Funds</li> </ul>	CH 26
19	<ul style="list-style-type: none"> <li>The Theory of Active Portfolio Management</li> </ul>	CH 26
20	<ul style="list-style-type: none"> <li>Review</li> </ul>	
	Final Exam	