

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