



## FIN 3610: Principles of Investment

2023 Summer Session	
<b>Total Class Sessions: 25</b> <b>Class Sessions Per Week: 5</b> <b>Total Weeks: 5</b> <b>Class Session Length (Minutes): 145</b> <b>Credit Hours: 4</b>	<b>Instructor: Staff</b> <b>Classroom: TBA</b> <b>Office Hours: TBA</b> <b>Language: English</b>

### **Course Description:**

This course introduces fundamental concepts and techniques in the field of investment, with emphasis on the assets allocation. Student will explore the application of investment theory to solve problems in investment analysis and management. Topics discussed includes investment markets and transactions; sources of investment information; return vs. risk; investment planning; investing in equities; capital assets pricing, portfolio management techniques, and portfolio performance evaluation.

Emphasis will be laid on the part of portfolio theory, security analysis and portfolio performance evaluation. Portfolio management section is supported by a web-based portfolio stimulation. Students will also get a chance to make use of and analyze real data in financial news or journals with application of investment theory and quantitative techniques acquired in the class.

Prerequisite: FIN 2110 Introduction to Finance.

### **Learning objectives:**

Upon completion students are expected to:

1. Demonstrate understanding on the theoretical framework, the quantitative tools and practical issues in investment management.
2. Understand risk and return and how to estimate them, be able to identify and value securities.
3. Understand the creation of portfolio, be able to develop portfolio management and evaluate portfolio performance.
4. Apply quantitative and technical skills to improve investment management decisions as investors and as professionals in the financial markets.
5. Develop critical thinking skills in solving authentic problem in class discussion and presentation, as well as other oral and written exercises.

### **Course Materials:**

#### **Textbook:**

**Essentials of Investment**, by Zvie Bodie, Alex Kane, and Alan Marcus, 10th Edition, published by McGraw Hill Higher Education, 2017

#### **Strongly Recommended:**

Bloomberg.com, Wall Street Journal, Financial Times, The Economist, or some other Financial News source



### **Course Format and Requirements:**

The primary format of this course is lecture, problem solving and review. This will be a very fast-paced class. So it is extremely important that students keep up with required readings and homework problems. Pre-reading the relevant chapter and attempting the assigned homework problems prior to attending class is strongly recommended. Familiarizing with the course material before class, you will gain a better understanding the information presented during lecture. Because the class will move quickly, you will be responsible for learning as much as possible. Students are strongly encouraged to ask questions on things you did not understand. Main learning points will be highlighted from the textbook chapters and in-class sample questions.

### **Course Assignments:**

#### **Problem Sets:**

There will be five problem sets in total, which will test your comprehension of course materials. Students should finish topic-related problem sets before due date. All problem sets will be closely related to topics mentioned in class. Some of the questions in the exam papers will also be created related to the questions in daily problem sets.

#### **3 Case Studies:**

There will be three case studies in this course. All the cases will be from the journals which we strongly recommended, including Bloomberg.com, Wall Street Journal, Financial Times, the Economist and so on. You are responsible to finish a rigorous analysis of the cases and be ready for class discussion. You should show your critical thinking and your understanding of concepts and theories and integrate them with your analysis. You should devote enough time and energy to the assignments. Then you are required to write a reflection about the case related to the topic. Each case reflection should be 2 pages, double-spaced. Exhibits, tables and calculations can be attached to the papers as required. Late submissions after the case discussion will not be accepted.

#### **Exams:**

There will be a midterm exam and a final exam during the course. In the exams, you are responsible to explain theoretical concepts, do short answer and problem solving questions. The exams will be close-book. Also, you are not allowed to communicate with your classmates. Students are required to take all exams, and there are NO MAKE-UP EXAMS.

### **Course Assessment:**

Attendance	5%
5 Problem Sets	15%
Midterm Exam	20%
3 Case Studies	30%
Final Exam	30%
<b>Total</b>	<b>100%</b>

**Grading Scale (percentage):**

<b>A+</b>	<b>A</b>	<b>A-</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C+</b>	<b>C</b>	<b>C-</b>	<b>D+</b>	<b>D</b>	<b>D-</b>	<b>F</b>
<b>98-100</b>	<b>93-97</b>	<b>90-92</b>	<b>88-89</b>	<b>83-87</b>	<b>80-82</b>	<b>78-79</b>	<b>73-77</b>	<b>70-72</b>	<b>68-69</b>	<b>63-67</b>	<b>60-62</b>	<b>&lt;60</b>

**Academic Integrity:**

Students are encouraged to study together, and to discuss lecture topics with one another, but all other work should be completed independently.

Students are expected to adhere to the standards of academic honesty and integrity that are described in the Chengdu University of Technology's *Academic Conduct Code*. Any work suspected of violating the standards of the *Academic Conduct Code* will be reported to the Dean's Office. Penalties for violating the *Academic Conduct Code* may include dismissal from the program. All students have an individual responsibility to know and understand the provisions of the *Academic Conduct Code*.

**Special Needs or Assistance:**

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.

**Course Schedule:**

<b>Week</b>	<b>Course Content</b>	<b>Course Assignments</b>
Week 1- Class 1	Course introduction and Course Syllabus	Problem Set 1 Textbook reading Class discussion
Week 1- Class 2	Chapter 1 Investment : Background and Issues	
Week 1- Class 3	Chapter 2 Assets Classes and Financial Instruments	
Week 1- Class 4	Chapter 3 Securities Markets	
Week 1- Class 5	Chapter 4 Mutual Funds and Other Investment Companies	
Week 2- Class 6	Chapter 12 Macroeconomics and Industry Analysis	Problem Set 2 Textbook reading Journal review Case study 1
Week 2- Class 7	Chapter 12 Macroeconomics and Industry Analysis	
Week 2- Class 8	Chapter 13 Equality Valuation	
Week 2- Class 9	Chapter 13 Equality Valuation	
Week 2- Class 10	Chapter 14 Financial Statement Analysis	



Week 3- Class 11	Chapter 14 Financial Statement Analysis	Problem Set 3 Textbook reading Journal review Midterm Exam
Week 3- Class 12	<b>Midterm Exam</b>	
Week 3- Class 13	Chapter 5 Risk and Return: Past and Prologue	
Week 3- Class 14	Chapter 5 Risk and Return: Past and Prologue	
Week 3- Class 15	Chapter 5 Risk and Return: Past and Prologue	
Week 4- Class 16	Chapter 6 Efficient Diversification	Problem Set 4 Textbook reading Journal review Case study 2
Week 4- Class 17	Chapter 6 Efficient Diversification	
Week 4- Class 18	Chapter 6 Efficient Diversification	
Week 4- Class 19	Chapter 7 Capital Assets Pricing and Arbitrage Pricing Theory	
Week 4- Class 20	Chapter 7 Capital Assets Pricing and Arbitrage Pricing Theory	
Week 5- Class 21	Chapter 7 Capital Assets Pricing and Arbitrage Pricing Theory	Problem Set 5 Textbook reading Journal review Case study 3 Course summary and Review
Week 5- Class 22	Chapter 8 The Efficient Market Hypothesis	
Week 5- Class 23	Chapter 18 Portfolio Performance Evaluation	
Week 5- Class 24	Chapter 18 Portfolio Performance Evaluation	
Week 5- Class 25	Review for Final	
<b><u>Final Exam (Cumulative): TBA</u></b>		