

Syllabus

Investments

Weiyu Kuo
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This is designed as an intermediate level course of investments. The aim of this course is to familiarize students with the operations of financial markets and the basic ideas and techniques of investments. The first half of this course will focus on the investment environment, the investment instruments, and the basic portfolio theory. At the end of it, students should understand how financial markets operate and how to determine optimal risky portfolios.

The second part of this course will concentrate on the asset pricing aspect of investments. Students will learn how to apply theoretical asset pricing models to determine fair values of equities and bonds in seemingly efficient financial markets.

Your grades will be based on homework and class participation (30%), a mid-term exam (30%), and a final exam (40%). Notice that the current lecture schedule is subject to changes. That is why it is a tentative one. Of course, I will try to follow the schedule as closely as possible.

Lectures will take place on Mondays, 19:10-22:00. My office hours are 10:00-11:30 every Tuesday. I can be contacted at my office, 261244, or at (02)29393091 ext. 81244. My email address is wkuo@nccu.edu.tw.

The following textbooks are recommended:

1. Bodie, Z., A. Kane, A.J. Marcus, and R. Jain, 2014, Investments, Asia Global Edition, McGraw-Hill Global Education Holdings, LLC. (BKMJ, Main Textbook)
2. Elton, E.J., M.J. Gruber, S.J. Brown, and W.N. Goetzmann, 2013, Modern Portfolio Theory and Investment Analysis, 9th Edition, International Student Version, John Wiley & Sons, Inc. (A Good Reference Book)
3. Maginn, J.L., D.L. Tuttle, J.E. Pinto, and D.W. McLeavey, 2007, Managing Investment Portfolios: A Dynamic Process, 3rd Edition, John Wiley & Sons, Inc. (A Good Reference Book)

Tentative Lecture Schedule and Reading Assignment

| Date | Topic | Readings |
|-------|--|---|
| 2月22日 | The Investment Environment | ● BKMJ, Chap. 1 |
| 2月29日 | National Holiday | ● |
| 3月7日 | 1. Asset Classes and Financial Instruments 2. How Securities Are Traded | ● BKMJ, Chap. 2 & 3 |
| 3月14日 | 1. How Securities Are Traded 2. Mutual Funds and Other Investment Companies | ● BKMJ, Chap. 3 & 4 |
| 3月21日 | Introduction to Risk, Return, and the Historical Record | ● BKMJ, Chap. 5 |
| 3月28日 | Risk Aversion and Capital Allocation to Risky Assets | ● BKMJ, Chap. 6 |
| 4月4日 | National Holiday | ● |
| 4月11日 | Optimal Risky Portfolio | ● BKMJ, Chap. 7 |
| 4月18日 | Mid-Term Exam. | Range for Examination: Chap. 1 ~ Chap. 7 |
| 4月25日 | Index Models | ● BKMJ, Chap. 8 |
| 5月2日 | The Capital Asset Pricing Model | ● BKMJ, Chap. 9 |
| 5月9日 | The Capital Asset Pricing Model | ● BKMJ, Chap. 9 |
| 5月16日 | Arbitrage Pricing Theory and Multifactor Models of Risk and Return | ● BKMJ, Chap. 10 |
| 5月23日 | The Efficient Market Hypothesis | ● BKMJ, Chap. 11 |
| 5月30日 | Behavioral Finance and Technical Analysis | ● BKMJ, Chap. 12 |
| 6月6日 | Empirical Evidence on Security Returns | ● BKMJ, Chap. 13 |
| 6月13日 | Bond Prices and Yields | ● BKMJ, Chap. 14 |
| 6月20日 | Term Exam. | Range for Examination: Chap. 8 ~ Chap. 14 |