

**NATIONAL CHENGCHI UNIVERSITY
COLLEGE OF COMMERCE
Department of Finance**

**Investments
Spring 2014**

<u>Instructor</u>	Prof. Konan Chan
Office	Room 1239, College of Commerce Building
Phone	29393091 ext 81239
E-mail	konan@nccu.edu.tw
Course website	http://www3.nccu.edu.tw/~konan/BIN.html
Office hour	Monday, 12 – 1 pm

Course Description:

The purpose of this course is to develop a solid understanding of modern investment theory and its application to investment management. Since the concepts and valuation methods introduced here are heavily used in practice, the course is designed to be both academic and practitioner-oriented. This means that you will learn theories and at the same time practice what you learn from the class.

Required Materials:

1. “*Essentials of Investments*”, by Bodie, Kane, and Marcus (9th edition, 2013)
2. Lecture notes available from the course website
3. *Stock-Trak* Account: individual or group account for investment game
4. A calculator

You are expected to download and read lecture notes of assigned chapters before each class. I strongly recommend you to read at least one Chinese financial newspaper to equip you with the real financial world. Other financial magazines, such as *Business Week*, *Economist*, *Forbes*, and *Fortune*, will also help you follow up the current developments in finance. Bring a calculator with you to facilitate your learning of this course.

Prerequisites:

The prerequisite course is Financial Management. No excuses will be allowed if you haven't taken the prerequisite course.

Grading and Requirements:

Mid-term Exam	35%
Final Exam	45%
Investment game, Presentation, Report	20%
Quiz (bonus)	5%

Exams:

Both exams are closed book exams, but you are allowed to bring one single-side formula sheet. You are responsible to all materials covered in the class, including problems at the end of assigned chapters.

Investment Game:

You have to participate in an investment game (by a group of maximum 4 students) to practice what you learn from the class. You should first open an account online in *Stock Trak*. Go to www.stocktrak.com, click on "Students"; or go to the link in the course website (see "Announcement"). You need our class name: **2014-GoGoNCCU** to register. Each group is required to make one presentation in class and submit a formal written report. More details will be provided later.

Problems:

The solutions of the end-of-chapter problems in the textbook will be provided via the course website. Though I will not collect these problem sets, I strongly recommend you to solve them by yourself. Some of them will be very similar to the questions in the exam.

Course Schedule:

The following is the course schedule which is extremely tentative, and subject to change.

Week	Date	Chapters	Topic
1	02/18	1	Course overview, Introduction
2	02/25	2	Asset classes and financial instruments
3	03/04	22	Investors and the investment process
		4	Mutual funds and other investment companies
4	03/11	20	Hedge funds
			Stock-Trak trading
		3	Securities markets
5	03/18	12, 13	Industry & security analysis
6	03/25	13, 14	Equity valuation & Ratio analysis
7	04/01	8	Efficient market hypothesis
8	04/08		Mid-term exam (Chap 1 ~ 4, 12 ~ 14, 20, 22)
9	04/15	8	Efficient market hypothesis
10	04/22	9	Behavior finance
11	04/29	15	Options markets
12	05/06	16	Options valuation
13	05/13	5	Risk and returns
14	05/20	6	Efficient diversification
15	05/27	7	CAPM and APT
16	06/03	18	Performance evaluation
17	06/10		Review
18	06/17		Final exam (Chap 5 ~ 9, 15, 16, 18)