

ETP Undergraduate Investments

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Fall 2013

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Course Objectives

This course will discuss important topics of investments, including markets and trading mechanism, investment instruments, asset allocation, asset pricing theories, evaluation of securities, fundamental and technical analyses, performance evaluation, and portfolio management. Essentially we discuss investment process and develop critical thinking ability for the students so that they may evaluate their own and their clients' investment process sensibly and efficiently. Both theoretical and practical aspects of the subjects will be covered so that students can readily apply the concepts to real-world practices. Although the course is analytical in nature, students will have opportunities to participate in class discussions.

Prerequisites

You are expected to have had a working knowledge of basic economics, accounting and statistics. Please note that this course is taught in English. Everything we do in and outside the class related to the subject matter has to be done in English.

Course Readings

Required texts:

1. Essentials of Investments, by Zvi Bodie, Alex Kane, and Alan K. Marcus, 8th ed., 2010, McGraw-Hill International Edition, Taiwan distributor (東華書局, 謝松沅: (02) 2331-1578, 0935290147).

Reference readings:

2. 不理財也發財—我的幸福理財書, 周行一著, 天下文化出版 (02) 2662-0012
3. Other assigned readings in class, Economist, Asian Wall Street Journal, Economics Daily (經濟日報), Commercial Times (工商時報)。
4. You are encouraged to read A Random Walk Down Wall Street, by Burton G. Malkiel.

Course Policies and Grading

There will be two exams. The mid-term exam and final exam count 40% and 45% of your final grade, respectively. The final exam period may include some of the material (the parts I feel the class did not perform well on) from the mid-term exam in addition to the new material covered after the mid-term exam. Due to a large number of students in the class, the exams possibly will consist mostly of multiple choice questions. You are encouraged to have a calculator with you during the exams. You may also take a self-prepared formula sheet (A4 paper) to the exams. You will be seated in a particular order for the exams. Your seat will be made known to you right before the exam begins. The remaining 15% is determined by your attendance,

participation in the class discussion and ad hoc homework assignments. Homework problems will be assigned and collected. I will not grade your homework regularly. However, you are encouraged to do it diligently and turn it in on time. It would have significant bearings on your final grade. I will post on the website the solutions manual to the end-of-chapter problems in the book. I suggest that you complete as many end-of-chapter questions and problems as possible. You can expect to be called upon frequently in this class. You are responsible for all lectures, assignments, and class discussions. I encourage you to form groups of 2-3 people to work on the end-of-chapter questions, problems and cases. No late assignment or exam is accepted unless permission is granted beforehand under very unusual circumstances.

THE HONOR CODE WILL BE STRICTLY ENFORCED IN THIS COURSE. ALL ASPECTS OF YOUR COURSE WORK ARE COVERED BY THE HONOR SYSTEM. HONESTY IN YOUR ACADEMIC WORK WILL DEVELOP INTO PROFESSIONAL INTEGRITY. THE FACULTY AND STUDENTS OF NATIONAL CHENGCHI UNIVERSITY WILL NOT TOLERATE ANY FORM OF ACADEMIC DISHONESTY.

Course Outline

Topics

1. Introduction and get acquainted
Chpt. 1, 周：第1章 - 第4章
2. Securities markets, mutual funds and trading mechanism
Chpt. 2, 3, 4
3. Securities markets, mutual funds and trading mechanism
Chpt. 2, 3, 4
4. Risk and return
Chpt. 5
5. Efficient diversification
Chpt. 6
6. Capital asset pricing and arbitrage pricing theory
Chpt. 7
7. Efficient market hypothesis
Chpt. 8
8. Behavioral finance and technical analysis
Chpt. 9
9. **Mid-term examination**
10. Bond price and yields
Chpt. 10
11. Bond price and yields
Chpt. 10
12. Managing bond portfolios
Chpt. 11
13. Macroeconomic and industry analysis
Chpt. 12
14. Equity valuation
Chpt. 13
15. Equity valuation
Chpt. 13
A lesson on how to conduct a happy life
16. **Final examination**