Syllabus of Investments (2021 Spring)

Contact information

Instructor: Mu-Shu, Yun
Office: 364
Course Website: e-course system

Time: Mon. 13:10 - 16:00
Office Hours: Mon. 16:00 -17:00
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Course Objectives

The objective of the course is to study the theory and empirical evidence relevant for investing. Within this context, students will review various approaches to the use and valuation of stocks and bonds. The major topics include:

- Overview of capital markets
- Optimal portfolio selection
- The risk-return profile of Stocks
- Delegated portfolio management and performance evaluation (time permitting)
- Fixed income securities (time permitting)
- Derivative markets (time permitting)

Prerequisites

- The course would be build on the basic understanding of the fundamental concepts in Finance and Statistics. Spontaneous leaning in especially important if you do not have the background knowledge.
- The study of investments is inherently quantitative, although we don't focus on mathematical derivation or statistical analysis. Knowledge of basic statistics (means, covariance, multiple regression, etc.) is indispensable and used repeatedly throughout the semester. If you have troubles with basic statistics (such as mean, covariance, and linear regression), please review relevant materials.
- Students are also expected to bring a calculator to all examinations.
- Since you are taking this class, try to find something that interests you.

Grading criteria, exams and course policy

Grades will be assigned based on the following weights:

- Two Midterms: 25%, 25%
- Final 35%
- Class Participation 15%

Exams:

- There will be two midterms and a final exam. The final is accumulative, but with an emphasis on the later parts of the course. All exams are closed book. However, a formula sheet will be provided. You can use a calculator with no word-processing features. Other electronics such as laptops and cell phones are NOT permitted during the exams. There will be no make-up tests.

No cheating on the exam. You will fail the class if you cheat.

Class Participation:

- There would be 3∼5 roll calls during the semester. Each roll call accounts for 2∼4% of your credit. Also, you will get 1% each week you ask/answer a question on the class.

$$Total = 0.25(Mid_1 + Mid_2) + 0.35(Final) + 3 \cdot N_{rc} + N_{aa}. \tag{1}$$

Textbook and Readings

- **Bodie, Kane and Marcus, Essentials of Investments, 10e, Mc-Graw-Hill/Irwin**[1]

- **Lecture Notes**

Additional Rules

- 上課請準時。

- 作業、考試請誠實。

- 有問題請在 office hour 來找我，課堂上的問題我不會透過 email 回。

- 上課請勿使用手機、聽音樂、聊天。

- 要推薦信的請讓老師有東西可以寫 & 預留作業時間。

- 寫信或是交作業請附上系級、姓名、開頭，結尾，收到信請回信確認你有收到信了。

[1] 請尊重智慧財產權，不得非法影印教師指定之教科書籍

Course Outline

Tentative Course Schedule (subject to change)

02/22: Class Overview and Introduction to Investments (Chap. 1)

03/01: 228 補

03/08: Asset Classes and Financial Instruments (Chap. 2)

03/15: Securities Markets (Chap. 3), Mutual Funds and Other Investment Companies (Chap. 4)

03/22: Micro Market Structure and Midterm Review

03/29: Efficient Diversification (Chap. 6), Risk and Return: Past and Prologue (Chap. 5)

04/05: 清明

04/12: Midterm I

04/19: Efficient Diversification (Chap. 6) II

04/26: CAPM& APT (Chap. 7) I

05/03: CAPM& APT (Chap. 7) II

05/10: The efficient market hypothesis (Chap. 8)

05/17: Midterm II

05/24: Behavioral finance and technical analysis (Chap. 9)

05/31: Equity Valuation (Chap. 13)

06/07: Bond markets (Chap. 10+Chap. 11)

06/14: 端午

06/25: Final Exam