BA in Management Program  
Fall 2020-2021  
FIN 402 – Investments

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Web: SuCourse  
Office Hours: By appointment. I will schedule regular online office hours.

<table>
<thead>
<tr>
<th>Type</th>
<th>Time</th>
<th>Days</th>
<th>Where</th>
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</thead>
<tbody>
<tr>
<td>Class</td>
<td>10:40 am - 12:30 pm</td>
<td>Monday</td>
<td>Online</td>
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<tr>
<td>Class</td>
<td>1:40 pm - 2:30 pm</td>
<td>Wednesday</td>
<td>Online</td>
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Course Objectives:

This course is designed to develop an understanding of the field of investments. Topics include: securities markets; bond and equity valuation; risk-return relationship; diversification; asset pricing models; efficient market hypothesis, behavioral finance and investment companies.

In this course, students are introduced to analytical and technical skills needed in finance. Throughout the course, ethical aspects of financial relationships, actions and decisions are discussed. This helps students become aware of the many ways in financial decisions have ethical dimensions.

Learning Outcomes:

Upon successful completion of the course, students should be able to:

1. Explain investment environments and types of securities traded in the markets,  
2. Understand the pricing and risk management of fixed income securities,  
3. Discuss investors’ risk preferences and motivation for diversification,  
4. Describe the theoretical background for various asset pricing models,  
5. Distinguish the efficient and behavioral views of financial markets.

Course Material:


**Course Web:**

Lecture slides, recorded videos and whiteboard notes, assignments and announcements will be posted on the SuCourse website. After the assignments are due, the solutions to the assignments will also be posted so that you can use them to prepare for the exams.

**Instructional Design:**

Online lectures introduce students with the foundations of the main financial concepts. Students will have the opportunity to apply the knowledge they acquire in these lectures by completing the assignments.

**Assignments**

There will be weekly homework assignments. You are required to upload your solutions to Sucourse by handwriting them within one week after the homeworks are assigned. I will post the solutions to every assignment on SuCourse. There will not be any extra homework assignments for extra credit.

**Grading:**

Assignments: 20%
Midterm Exam: 40%
Final Exam: 40%

**Requirements:**

*Exams*

Both midterm and final exam will be online. The exams are partly short answers and partly problem solving. In numerical problems, you will be required to show all your work and you will get partial credit for this. There will be multiple versions of the exam each time. If you are late for an exam, you will still have time only until the end of the regular exam time. You will be allowed to use a formula sheet. Formula sheet must be one page (one-sided). No other supporting material will be allowed during the exams.

*Make-up Exams*

There are no make-up exams unless a situation arises which was not foreseeable, and which was not under the control of the student. Requests for make-ups must be made directly to me as soon as possible and must be accompanied by relevant documentation.

Midterm policy: If your excuse is accepted, I will provide you a make-up midterm during the final exam period.

Final exam policy: If your excuse is accepted, you will be required to take a make-up exam two to three days after the final exam date.
**Calculator**

Students will need a scientific or financial calculator throughout the course. Many of the problems encountered in this course require arithmetic operations that are difficult or even impossible to be solved by hand or with a non-scientific or non-financial calculator. A scientific or financial calculator is useful to solve these problems efficiently, especially in the limited time frame of an exam. Make sure that you know how to use your calculator before you take the exams.

**Objections to Grading**

Students should make their objections and communicate them to me no later than a week after receiving their graded work. This document should clearly explain the basis of objection.

**Special needs students**

Any student who, because of a disability, requires some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

**Academic Honesty:**

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is plagiarism. Copying from others or providing answers or information, written or oral, to others is cheating. Unauthorized help from another person or having someone else write one’s paper or assignment is collusion. Cheating, plagiarism and collusion are serious offenses that could result in a failing grade and disciplinary action. Please pay utmost attention to avoid such accusations.
Course Schedule:

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<th>Week 1</th>
<th>Date: October 5&lt;sup&gt;th&lt;/sup&gt;</th>
<th>Topic: Introduction to Investments</th>
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<tr>
<td>Week 2</td>
<td>Date: October 12&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Asset Classes and Securities Markets</td>
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<td>Week 3</td>
<td>Date: October 19&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Fixed-Income Securities: Features and Valuation</td>
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<td>Week 4</td>
<td>Date: October 26&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Bond Yields and Risks Associated With Bonds</td>
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<td>Week 5</td>
<td>Date: November 2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>Topic: Interest Rate Risk Management</td>
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<td>Week 6</td>
<td>Date: November 9&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Pricing Bonds With Embedded Options</td>
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<td>Week 7</td>
<td>Date: November 16&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: MIDTERM EXAM</td>
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<td>Week 8</td>
<td>Date: November 23&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Topic: Investment Characteristics of Portfolios</td>
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<td>Week 9</td>
<td>Date: November 30&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Mean-Variance Analysis</td>
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<td>Week 10</td>
<td>Date: December 7&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Capital Asset Pricing Model</td>
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<td>Week 11</td>
<td>Date: December 14&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Performance Evaluation and Multifactor APMs</td>
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<td>Week 12</td>
<td>Date: December 21&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Topic: Efficient Market Hypothesis and Behavioral Finance</td>
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<td>Week 13</td>
<td>Date: December 28&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Topic: Investment Companies</td>
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