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

Instructor: İmra Kırlı
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Web: SuCourse
Office Hours: I will schedule online office hours by appointment.

Time	Days	Classroom
11:40 AM – 2:30 PM	Tuesday	Online
10:40 AM – 12:30 PM	Wednesday	Online
1:40 PM – 3:30 PM	Thursday	Online

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:

Essentials of Investments, by Zvi Bodie, Alex Kane and Alan J. Marcus, **9th edition**, 2012 (McGraw-Hill Irwin)

Investment Science, by David G. Luenberger, **2nd edition**, 2014 (Oxford University Press)

Course Web:

Lecture slides, recorded videos and whiteboard notes, problem sets and announcements will be posted on the SuCourse website. The solutions to the problem sets 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. Also, there will be online synchronous problem sessions. Students will have the opportunity to apply the knowledge they acquire in these lectures by solving the problem sets in problem sessions. I will also post the solutions to the problem sets on SuCourse. You must attend the synchronous Zoom sessions and real-time online exams with your SU email account.

Grading:

Midterm Exam: 50%   Final Exam: 50%

Requirements:

Exams

Both midterm and final exam will be online. The midterm's date is available below in the course outline. The final exam will be scheduled by Student Resources and is not cumulative. 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. 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 which will be supplied to you. No other supporting material will be allowed during the exams. Your webcam and microphone should be on during the exam. In the case of non-compliance with this and other declared exam procedures, your exam will be void. Make sure to check that your webcam and microphone function properly before the exam. Depending on the circumstances, oral exams may be applied in case necessary.

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 during the final exam period.

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 the following day 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:

Week 1	**Date:**	July 1st	
	Topic:	Introduction to Investments	
Week 2a	**Date:**	July 6th	
	Topic:	Asset Classes and Securities Markets	
Week 2b	**Date:**	July 7th	
	Topic:	Fixed-Income Securities: Features and Valuation	
Week 2c	**Date:**	July 8th	
	Topic:	Problem Session (Synchronous)	
Week 3a	**Date:**	July 13th	
	Topic:	Bond Yields and Risks Associated with Bonds	
Week 3b	**Date:**	July 14th	
	Topic:	Interest Rate Risk Management	
Week 4a	**Date:**	July 27th	
	Topic:	Problem Session (Synchronous)	
Week 4b	**Date:**	July 28th	
	Topic:	Investment Characteristics of Portfolios	
Week 4c	**Date:**	July 29th	
	Topic:	MIDTERM EXAM	
Week 5a	**Date:**	August 3rd	
	Topic:	Mean-Variance Analysis	
Week 5b	**Date:**	August 4th	
	Topic:	Capital Asset Pricing Model	
Week 5c	**Date:**	August 5th	
	Topic:	Problem Session (Synchronous)	
Week 6a	**Date:**	August 10th	
	Topic:	Efficient Market Hypothesis and Behavioral Finance	
Week 6b	**Date:**	August 11th	
	Topic:	Arbitrage Pricing Theory and Performance Evaluation	
Week 6c	**Date:**	August 12th	
	Topic:	Problem Session (Synchronous)	
Week 7a	**Date:**	August 17th	
	Topic:	Investment Companies	
Week 7b	**Date:**	August 18th	
	Topic:	Problem Session (Synchronous)	
Week 7c	**Date:**	August 19th	
	Topic:	Problem Session (Optional) (Synchronous)	