**NATIONAL CHENGCHI UNIVERSITY**

**351041 Investments**

Fall, 2016 Instructor: Hong-Yi Chen

Thursday 13:10-16:00 [fnhchen@nccu.edu.tw](mailto:fnhchen@nccu.edu.tw)

Information Building 140301 Office: Research Building 812

Office Hour: Wednesday 11:00-12:00

also by appointment

**I. Course Description**

This is an introductory class in Investments. This course is designed to provide students with a solid background for investments. Students is exposed to a broad overview of modern finance, and gains a deep understanding of certain key theory.

This course will focus on the financial theories and empirical evidence useful for investment decisions. The course covers topics of introduction of investment environments, financial instruments, securities trading, asset pricing models, fixed-income securities, fund performance measurement, and financial derivatives.

**II. Course Requirements**

The prerequisite course is Financial Management. In addition, this is intended to provide the theoretical framework for further studies and work in the area. Much of the material is quantitative and highly analytical. Students should be comfortable with basic mathematical and statistics concepts.

**III. Textbooks:**

**Required** book:

*Essentials of Investments* (10th ed.), by Bodie, Kane, and Marcus, McGraw-Hill, 2017.

Reference books:

1. *Investments* (10th ed.), by Bodie, Kane, Marcus, and Lin, McGraw‐Hill, 2014.
2. *Security Analysis, Portfolio Management, and Financial Derivatives*, by Lee, Finnerty, Lee, Lee, and Wort, World Scientific, 2012.

**IV. Grading Policy**

1. Homework Assignments (25%)
2. Class Participation (10%)
3. Midterm Exam (30%)
4. Final Exam (35%)

**V. Homework Assignment:**

Each homework assignment contains 5-10 questions and will be assigned during each class period. Each student should turn in the **hard copy** of homework assignment **at the beginning** of the class on the due date. Students who hand their homework assignments lately will receive a 30% discount of their original grades. In addition, homework assignments are also practice sample questions for midterm and final exams.

**VI. Schedule of the Course:**

Note: I will adjust this schedule to meet the needs of the class. Please refer to the e-Learning for scheduling updates.

1. 9/15 (Thur)

* Moon Festival

1. 9/22 (Thur)

* Class Overview
* Ch2: Asset Classes and Financial Instruments
* Ch3: Securities Markets

1. 9/29 (Thur)

**1st Homework Assignment Due**

* Ch5: Risk and Return: Past and Prologue

1. 10/6 (Thur)

* Ch5: Risk and Return: Past and Prologue

1. 10/13 (Thur)

**2nd Homework Assignment Due**

* Ch6: Efficient Diversification

1. 10/20 (Thur)

* Homework Discussion

1. 10/27 (Thur)

* Ch7: Capital Asset Pricing and Arbitrage Pricing Theory

1. 11/3 (Thur)

**3rd Homework Assignment Due**

* Ch8: The Efficient Market Hypothesis

1. 11/10 (Thur)

* **Midterm Exam**

1. 11/17 (Thur)

* Ch4: Mutual Funds and Other Investment Companies

1. 11/24 (Thur)

* Ch18: Portfolio Performance Evaluation

1. 12/1 (Thur)

**4th Homework Assignment Due**

* Ch18: Portfolio Performance Evaluation

1. 12/8 (Thur)

* Ch8: The Efficient Market Hypothesis
* Ch9: Behavioral Finance and Technical Analysis

1. 12/15 (Thur)

**5th Homework Assignment Due**

* Ch10: Bond Pricing and Yields

1. 12/22 (Thur)

* Ch11: Managing Bond Portfolios

1. 12/29 (Thur)

**6th Homework Assignment Due**

* Ch15: Option Markets

1. 1/5 (Thur)

* Ch16: Option Valuation

1. 1/12 (Thur)

* **Final Exam**