Academic Year 2024-2025

Vandeweyer, Quentin

Course Description: 35000- Investments

Disclaimer:

The information contained in these documents is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of the Booth faculty member teaching the course.

Content

This course is designed to provide a sound foundation for the fundamental concepts in investments. Topics covered include models of risk and return (including the CAPM and multifactor models); stock market valuation; the term structure of interest rates; portfolio selection based on mean-variance analysis; performance evaluation; market efficiency and derivative security pricing (including options, futures, forwards, and swaps). Students who master the course material will acquire the analytical tools and financial theory necessary for making good investment decisions and understanding the paradigms by which financial securities are valued.

Teaching Modality

The course is scheduled to be taught in person.

Teaching modality may change during registration, or during the quarter. The teaching modality notation (Remote-Only or Dual Modality) is updated immediately as changes become known. Please regularly check Course Search/Booth Book/My Courses for the notation, and Canvas for class details. No bid point refunds will be awarded.

Materials

• Textbook: Bodie, Zvi, Alex Kane, and Alan Marcus, Investments, McGraw Hill Edition

• Additional articles: Additional readings and articles will be posted on canvas in advance of each class during the quarter.

• Lecture slides/handouts: Lecture slides will be posted in advance on canvas. The lecture slides provide an outline of the course discussion and some details on the topics covered.

Homework and Case Assignments

Five homework assignments will be given, which consist of problems and several applications to real data. The latter are designed to apply techniques learned in the course to real data. Keep in mind that exam questions will be similar to some of the assigned homework problems. You

may do the homework and the case in groups that are not to exceed five people. You are required to keep the same group for all assignments.

Grades

The course requirements are a Midterm exam, a Final exam, five graded homework assignments, and a case write-up. Class participation will also affect your grade. Your course grade will be determined by the maximum of Methods A and B below:

Method A	Method B
Midterm 25%	Midterm 0%
Case Write-up 5%	Case Write-up 5%
Problem Sets 15%	Problem Sets 15%
In-class Participation 5%	In-class Participation 5%
Final 50%	Final 75%
Total: 100%	Total: 100%

In other words, the Midterm is optional and can only help your grade. Notice that attendance and participation are expected.

Review Sessions, Office Hours and TA

- TA: Jaden Wu: jqwu@uchicago.edu . Students are encouraged to also reach to him by email with any questions regarding the course and to arrange Zoom meetings if necessary.
- TA and Review Sessions will be held online via Zoom Friday afternoons (exact schedule to be determined) with recording posted online.
- Office Hours (320 in Harper Center): Mondays between 3pm and 4pm

Midterm and Final

The midterm will take place in person in class and final will take place in person following the school's regular exam schedule.

Prerequisites

Comfortable w/ probability, stats & regression at 41000 level. Use of spreadsheet package such as Excel vital for homework assignments, saving time & aiding in understanding. Some use of calculus & linear algebra also required.

Booth Honor Code Pledge:

Each student shall sign the following pledge on each exam: "I pledge my Honor that I have not violated the Chicago Booth Honor Code during this examination".

Academic Year 2024-2025

Vandeweyer, Quentin

Recording and Deletion Policies:

- The Recording and Deletion Policies for the current academic year can be found in the Student Manual: https://studentmanual.uchicago.edu/administrative-policies/additional-administrative-regulations/petitions-audio-video-recording-on-campus/
- Do not record, share, or disseminate any course sessions, videos, transcripts, audio, or chats.
- Do not share links for the course to those not currently enrolled.
- Any Zoom cloud recordings will be automatically deleted 90 days after the completion of the recording.

Accommodations for disabilities

The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, please contact Student Disability Services as soon as possible. To receive a reasonable accommodation, you must be appropriately registered with Student Disability Services. Please contact the office at 773-702-6000/TTY 773-795-1186 or disabilities@uchicago.edu, or visit the website. Student Disability Services is located at 5501 S. Ellis Avenue.

Pass/Fail Grading Policy

This course may be taken pass/fail. The deadline to request pass/fail grading is *Friday Week 4 (note this is earlier than the College pass/fail deadline)*. Request pass/fail grading using the online form: https://chicagobooth.az1.qualtrics.com/jfe/form/SV_d5oN7eCMiYtfRfn (Links to an external site.). Exceptions are not made for individual students.

Early Final Grades for Graduating Students:

Graduating students will be able to receive early final grades if the course is needed for degree requirements. The Booth Registrar's Office staff will be in touch with students in week 2 to determine eligibility.

Course Conditions

Strict Prerequisite - No
No pass/fail grades (P/F grades not allowed) - No
No auditors (Auditors not allowed) - No
No non-Booth Students (Non-Booth students not allowed) - No
PhD - students only - No
Application-based course - No
Allow Provisional Grades / Early Final Grades (For joint degree and non-Booth students only) - Yes

Academic Year 2024-2025

Vandeweyer, Quentin

Course Related Items

Lectures - Yes
Discussion - Yes
Case Studies - Yes
Group Projects - No
Group Presentations - No
Ethics discussion/component - No
Graded homework assignments - Yes
Graded attendance/participation - Yes
Mandatory attendance week 1 - No
Quizzes - No
Midterm - Yes
Optional midterm - Yes
Final exam (in class) - Yes
Final exam (take home) - No
Final Presentation - No
Final Project - No
Class meets Finals Week - No
Canvas Site Available – Yes

Preliminary Agenda

Week 1: Risk and return

Week 2: Fixed Income

Week 3: Introduction to asset allocation

Week 4: Mean-variance analysis and the CAPM

Week 5: Practical asset allocation and APT and Midterm Exam

Week 6: Market efficiency, anomalies, and the industry: Theory

Week 7: Market efficiency, anomalies, and the industry: Implications

Week 8: Forward and futures

Week 9: Options

Week 10: Final Exam

The previous agenda is subject to changes.

Non-discrimination Statement

The University of Chicago believes that a culture of rigorous inquiry demands an environment where diverse perspectives, experiences, individuals, and ideas inform intellectual exchange and engagement. I

concur with that commitment and expect to maintain a productive learning environment based upon open communication, mutual respect, and non-discrimination. Any suggestions as to how to further such a positive and open environment in this class will be appreciated and given serious consideration.

Student Accommodations

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AI and Academic Integrity

The use of generative Artificial Intelligence (generative AI), such as ChatGPT, Bard, Gemini, etc., in education has become ubiquitous. As always, it is important to communicate clear expectations for academic integrity and to remind students of the Booth Honor Code in the course syllabus and before exams and assignments. Chicago Center for Teaching and Learning (CCTL) created an excellent syllabus guide with considerations and examples of syllabus statements regarding the use of generative AI. We recommend selecting one of the syllabus statements as a starting point and customizing it to align with your course expectations and teaching style.

Last updated on 02-06-2025