**SYLLABUS**

**SECURITIES ANALYSIS AND INVESTMENTS (DTUE401)**

(Attached to Decision No...... / QD-ĐHNT dated / / 20….

of the President of Foreign Trade University)

**Course title:** Securities Analysis and Investments

**Course code:** DTUE401

**Department:** Securities Investment Department

**Credit hours:** 3

**Prerequisite(s):** Principles of Finance (TCHE302)

**Time of the first design/announcement:**

**Adjust, modify, supplement:**

**1. INSTRUCTOR(s) INFORMATION**

| **No.** | **Instructors’ name** | **Email** | **Phone number** | **Office** |
| --- | --- | --- | --- | --- |
| 1 | Dr Do Duy Kien | doduykien.cs2@ftu.edu.vn |  | FTU HCM |

**2. COURSE OBJECTIVES**

The course is designed to provide students with foundation knowledge in investments. This includes basic concepts, theories, applications and decision-making rules in financial investments. Principally, the main focus of the course are laid on the analysis of stocks, bonds, options and other derivative securities. In fulfillment of the course, students should be aware of investment management in preparation for careers in financial analysis, financial planning, investment banking, portfolio management, and corporate finance. Some of the topics covered in this course are also available in the Chartered Financial Analysts (CFA) Level I examinations, such as quantity, equity, fixed income and portfolio management.

**3. COURSE LEARNING OUTCOMES**

**3.1. Learning outcomes about knowledge, skills, autonomy and responsibility**

***3.1.1. Knowledge***

**CLO1**: Understand basic concepts and theories in financial investments;

**CLO2**: Understand methods of stock and bond analysis;

**CLO3**: Apply methods of stock valuation;

**CLO4**: Apply methods of bond valuation;

**CLO5**: Understand basics of derivative securities;

**CLO6**: Understand basics of technical analysis;

***3.1.2. Skills***

**CLO7**: Be able to use certain basic and professional software in analysing and valuing stocks, bonds and derivative securities;

**CLO8**: Competent in academic English related to analysis and valuation of securities;

***3.1.3. Autonomy and responsibility***

**CLO9**: Be able to work individually and in a team in a constantly changing environment. Be able to present ideas, guide and lead others in finding solutions to the assigned tasks.

**3.2. Matrix of the contribution of Course learning outcomes to Program learning outcomes**

| **Course learning outcomes** | **Program learning outcomes** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PLO1** | **PLO2** | **PLO3** | **PLO4** | **PLO5** | **PLO6** | **PLO7** | **PLO8** | **PLO 9** | **PLO 10** | **PLO 11** |
| **CLO1** |  | **x** |  |  |  | **x** |  |  |  |  |  |
| **CLO2** |  | **x** | **x** | **x** |  | **x** |  |  |  |  |  |
| **CLO3** |  |  | **x** | **x** | **x** | **x** | **x** |  |  |  |  |
| **CLO4** |  |  | **x** | **x** | **x** | **x** | **x** |  |  |  |  |
| **CLO5** |  | **x** |  |  |  | **x** |  |  |  |  |  |
| **CLO6** |  | **x** |  |  |  | **x** |  |  |  |  |  |
| **CLO7** |  |  |  |  | **x** |  | **x** |  |  |  |  |
| **CLO8** |  |  |  |  |  | **x** |  |  |  |  |  |
| **CLO9** |  |  |  |  |  |  |  | **x** | **x** | **x** | **x** |
| **Course** | **2** | **3** | **5** | **3** | **3** | **4** | **1** | **3** | **2** | **2** | **2** |

**4. READING MATERIALS**

4.1. **Textbook(s)**

1. Bodie, Z., A. Kane, and A.J. Marcus, 2011, *Essentials of Investment 10th edition*, McGraw-Hill Irwin, Boston.

4.2. **Compulsory reading(s)**

1. Bodie, Z., A. Kane, and A.J. Marcus, 2011, *Essentials of Investment 10th edition*, McGraw-Hill Irwin, Boston.

4.3. **Optional reading(s)**

2. Hull, J, 2011, Options, Futures and Other Derivatives, 9th Edi, Prentice Hall

3. CFA Curriculum 2020, Level 1 Book 4 (CFA Institute)

4. Eugene, F. and French, K., 1992. The cross-section of expected stock returns. Journal of Finance, 47(2), pp.427-465.

5. Chambers, D.R., Black, K.H. and Lacey, N.J., 2018. *Alternative investments: a primer for investment professionals*. CFA Institute Research Foundation.

**5. COURSE CONTENT AND SCHEDULE**

**5.1. Course content**

| **No.** | **Content** | **Time Allocation** | | | | **Contribution to CLO** |
| --- | --- | --- | --- | --- | --- | --- |
| **Hour(s) on the class** | | **Essays, exercise,**  **Assignments** | **Self-study with teacher’s tutorials** |
| **Lecture** | **Practice, Seminar** |
| 1 | Chapter 1: Investment: Background and Issues | 2 | 1 | 1 | 5.5 | 1,8 |
| 2 | Chapter 1: Investment: Background and Issues (cont.) | 2 | 1 | 1 | 5.5 | 1,8 |
| 3 | Chapter 2: Security analysis | 2 | 1 | 2 | 5.5 | 2,8 |
| 4 | Chapter 2: Security analysis (cont.) | 2 | 1 | 1.5 | 5.5 | 2,8 |
| 5 | Chapter 2: Security analysis (cont.) | 2 | 1 | 1.5 | 5.5 | 2,8 |
| 6 | Chapter 3: Equity valuation | 2 | 1 | 1 | 5.5 | 3,7,8 |
| 7 | Chapter 3: Equity valuation (cont.) | 2 | 1 | 2 | 5.5 | 3,7,8 |
| 8 | Chapter 3: Equity valuation (cont.) | 2 | 1 | 1.5 | 5.5 | 3,7,8 |
| 9 | Chapter 4: Debt securities | 2 | 1 | 1.5 | 5.5 | 4,7,8 |
| 10 | Chapter 4: Debt securities (cont.) | 2 | 1 | 1.5 | 5.5 | 4,7,8 |
| 11 | Chapter 4: Debt securities (cont.) | 2 | 1 | 1.5 | 5.5 | 4,7,8 |
| 12 | Chapter 5: Derivative Markets | 2 | 1 | 2 | 5.5 | 5,8 |
| 13 | Chapter 5: Derivative Markets (cont.) | 2 | 1 | 1.5 | 5.5 | 5,8 |
| 14 | Chapter 6: Technical analysis | 2 | 1 | 1.5 | 5.5 | 6,8 |
| 15 | Chapter 6: Technical analysis (cont.) | 2 | 1 | 1.5 | 5.5 | 6,8 |
| **Total (hour)** | | **30** | **15** | **22.5** | **82.5** |  |

**5.2. Schedule of lectures**

| **No.** | **Teaching and Learning activities** | **Hours** | **Content** | **Contribution to CLO** |
| --- | --- | --- | --- | --- |
| **1** | Lecture | **2** | Chapter 1: Investment: Background and Issues   * 1. Real Assets versus Financial Assets   2. Financial markets and the Economy | 1,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1** | Tutor students to use FiinPro data platform to achieve financial data |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - The role of financial markets  - Stock and Bond market indexes | |
| **2** | Lecture | **2** | Chapter 1: Investment: Background and Issues   * 1. Securities Markets | 1,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - How firm issue Securities  - How securities are trades  - Type of market | |
| **3** | Lecture | **2** | Chapter 2: Security analysis  2.1. Macroeconomic | 2,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **3** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - The global economy  - The domestic macroeconomy  - Interest rates  - Demand and supply shocks  - Federal government policy | |
| **4** | Lecture | **2** | Chapter 2: Security analysis  2.2. Business cycles  2.3. Industry analysis | 2,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Economic indicators  - Defining an industry  - Sensitivity to the business cycle  - Sector rotation  - Industry life cycle  - Industry structure and performance | |
| **5** | Lecture | **2** | Chapter 2: Security analysis  2.4. Financial statement analysis | 2,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - The major financial statements  - Profitability Measures  - Ratio Analysis  - Comparability problems | |
| **6** | Lecture | **2** | Chapter 3: Equity valuation  3.1. Intrinsic value versus Market price  3.2 Dividend discount models | 3,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | * The constant growth DDM * Stock prices and investment opportunities * Life cycles and multistage growth models | |
| **7** | Lecture | **2** | Chapter 3: Equity valuation  3.3. Price-earnings ratios  3.4. Free cash flow valuation approaches | 3,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **2** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - The price-earnings ratio and growth opportunities  - P/E ratios and stock risk  - Pitfall in P/E analysis  - Combining P/E analysis and the DDM  - Comparing the valuation models | |
| **8** | Lecture | **2** | Chapter 3: Equity valuation  3.5. Valuation by comparables | 3,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** | Tutor students practice the project: “Equity analysis and investment in practice”, according to Appendix 01 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | * Limitation of book value | |
| **9** | Lecture | **2** | Chapter 4: Debt securities  4.1. Bond characteristics  4.2. Bond pricing | 4,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Treasury bonds and notes  - Corporate bonds  - Innovation in the bond market  - Bond pricing between coupon dates | |
| **10** | Lecture | **2** | Chapter 4: Debt securities  4.3. Bond yields  4.4. Bond prices over time | 4,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Yield to maturity  - Yield to call  - Yield to maturity versus Holding -period return  - Zero - coupon bonds and treasury STRIPS | |
| **11** | Lecture | **2** | Chapter 4: Debt securities  4.5.Default risk and bond pricing  4.6. The yield curve | 4,7,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Junk bond  - Determinants of bond safety  - Bond indentures  - Yield to maturity and default risk  - The expectation theory  - The liquidity preference theory | |
| **12** | Lecture | **2** | Chapter 5: Derivative Markets  5.1. The option contract  5.2 Values of options at expiration | 5,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **2** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Option trading  - American and European options  - The option clearing corporation  - Call options  - Put options  - Options strategies | |
| **13** | Lecture | **2** | Chapter 5: Derivative Markets  5.3 The futures contract  5.4 Mechanics of trading in futures markets  5.5 Futures market strategies | 5,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - The basics of futures contracts  - The clearinghouse and open interest  - Hedging and speculation  - Basis risk and hedging | |
| **14** | Lecture | **2** | Chapter 6: Technical analysis  6.1.Underlying assumptions of technical analysis  6.2 Challenges to technical analysis  6.3 Challenges to technical analysis | 6,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** |  |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Challenges to assumption of technical analysis  - Challenges to technical analysis rules | |
| **15** | Lecture | **2** | Chapter 6: Technical analysis  6.4. Technical trading rules and indicators  6.5. Technical analysis of foreign markets | 6,8 |
| Practice, Seminar | **1** |
| Essays, exercise, assignments | **1.5** | Evaluate students’ performance in the project:”Equity analysis and investment in practice”, according to Appendix 02 (Optional). |
| Self – study with the teacher’s tutorials | **5.5** |  |
| Assessment methods | - Contrary-opinion rules  - Momentum indicators  - Stock price and volume techniques | |

**6. COURSE POLICY**

**6.1. Missions of students**

- Read materials and prepare before attending class.

- Fulfill all assigned tasks.

- Prepare the discussion of the course.

***6.2. Regulations of exam***

- Students have to attend at least 75% of the total class.

- Fulfill all assigned tasks of the course.

- According to current training regulation;

- Assignments which exceed total number of required page will be deducted 10% of total point;

- Assignments which are similar at least 50% will be halved;

- Assignments which are similar more than 50% will be zero;

- Students who do not receive assignments, do not submit or miss the deadline will be zero.

- Given when students actively participate during lectures

- Students give their answers to the lecturer’s questions straight to the point

- 3 times: 1 bonus point for the midterm exam, 6 times: 1 bonus point for the final exam, the total bonus points not exceeding 2 points for mid-term exam or 1 point for final exam scores.

**7. COURSE ASSESSMENT**

- Score ladder: 10

- Type of assessment

| **Form** | | **Content** | **Criteria** | **CLO** | **Proportion** |
| --- | --- | --- | --- | --- | --- |
| **Formative** | Attendance | Level of class participation | The number of attendances and participation in lesson | 1-6,9 | 10% |
| Mid term Exam and/or Assignment | Knowledge achieved up to lecture 7 or 8. | Written exam in 60 minutes | 1,2,3,7-9 | 30% |
| **Summative** | **Final test** | Knowledge achieved throughout the course | MCQ and/or written exam (at least 60 mins) | 1-9 | 60% |
| **Total:** | | | | | **100%** |

| **DEAN OF FACULTY** | **HEAD OF DEPARTMENT** |
| --- | --- |