

# **Syllabus**

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## **Investments**

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This is designed as an intermediate level course of investments. The aim of this course is to familiarize students with the operations of financial markets and the basic ideas and techniques of investments. The first half of this course will focus on the investment environment, the investment instruments, and the basic portfolio theory. At the end of it, students should understand how financial markets operate and how to determine optimal risky portfolios.

The second part of this course will concentrate on the asset pricing aspect of investments. Students will learn how to apply theoretical asset pricing models to determine fair values of equities and bonds in seemingly efficient financial markets.

Your grades will be based on homework and class participation (30%), a mid-term exam (30%), and a final exam (40%). Notice that the current lecture schedule is subject to changes. That is why it is a tentative one. Of course, I will try to follow the schedule as closely as possible.

Lectures will take place on XXX, XXX (TBA). My office hours are 10:00-11:30 every Tuesday. I can be contacted at my office, 261244, or at (02)29393091 ext. 81244. My email address is [wkuo@nccu.edu.tw](mailto:wkuo@nccu.edu.tw).

The following textbooks are recommended:

1. Bodie, Z., A. Kane, A.J. Marcus, and R. Jain, 2014, Investments, Asia Global Edition, McGraw-Hill Global Education Holdings, LLC. (BKMJ, Main Textbook)
2. Elton, E.J., M.J. Gruber, S.J. Brown, and W.N. Goetzmann, 2013, Modern Portfolio Theory and Investment Analysis, 9<sup>th</sup> Edition, International Student Version, John Wiley & Sons, Inc. (A Good Reference Book)
3. Maginn, J.L., D.L. Tuttle, J.E. Pinto, and D.W. McLeavey, 2007, Managing Investment Portfolios: A Dynamic Process, 3<sup>rd</sup> Edition, John Wiley & Sons, Inc. (A Good Reference Book)

## **Tentative Lecture Schedule and Reading Assignment**

<b>Date</b>	<b>Topic</b>	<b>Readings</b>
X 月 X 日	The Investment Environment	● BKMJ, Chap. 1
X 月 X 日	1. Asset Classes and Financial Instruments 2. How Securities Are Traded	● BKMJ, Chap. 2 & 3
X 月 X 日	1. How Securities Are Traded 2. Mutual Funds and Other Investment Companies	● BKMJ, Chap. 3 & 4
X 月 X 日	Introduction to Risk, Return, and the Historical Record	● BKMJ, Chap. 5
X 月 X 日	Risk Aversion and Capital Allocation to Risky Assets	● BKMJ, Chap. 6
X 月 X 日	Optimal Risky Portfolio	● BKMJ, Chap. 7
X 月 X 日	Index Models	● BKMJ, Chap. 8
X 月 X 日	Mid-Term Exam.	Range for Examination: Chap. 1 ~ Chap. 8
X 月 X 日	The Capital Asset Pricing Model	● BKMJ, Chap. 9
X 月 X 日	The Capital Asset Pricing Model	● BKMJ, Chap. 9
X 月 X 日	Arbitrage Pricing Theory and Multifactor Models of Risk and Return	● BKMJ, Chap. 10
X 月 X 日	The Efficient Market Hypothesis	● BKMJ, Chap. 11
X 月 X 日	Behavioral Finance and Technical Analysis	● BKMJ, Chap. 12
X 月 X 日	Empirical Evidence on Security Returns	● BKMJ, Chap. 13
X 月 X 日	Bond Prices and Yields	● BKMJ, Chap. 14
X 月 X 日	The Term Structure of Interest Rate	● BKMJ, Chap. 15
X 月 X 日	Managing Bond Portfolios	● BKMJ, Chap. 16
X 月 X 日	Term Exam.	Range for Examination: Chap. 9 ~

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