

## **FIN3702B: INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT**

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Session: Semester 2, AY 2023/2024

### **Course Objectives**

This is an introductory course in financial investments and portfolio management. It provides a comprehensive coverage of basic concepts, theories, applications, and decision-making rules in financial investment. Topics to be covered include portfolio optimization and asset pricing theories, as well as their applications to problems in modern financial practice. This course also explores the application of various financial instruments in investment management and introduces the basic techniques of portfolio performance evaluation.

### **Prerequisites**

- FIN2704 or FIN2704X
- Basic understanding of Excel Spreadsheet functions
- Use of financial calculator

### **Preclusions**

- BH3102 or BZ3302 or BK3101 or FNA3102 or FNA3102B/C or FIN3102 or FIN3102B/C or FE5108 or EC3333 or CF3101/QF3101

### **Course Textbook**

The reference for the course is:

**Bodie, Zvi, Alex Kane and Alan Marcus, 2021, *Investments (12<sup>th</sup> Edition)*, McGraw Hill, ISBN 978-1-260-59024-1.**

All other course materials, journal articles and information pertaining to FIN3702C will be posted on Canvas. You are expected to check any updates and files on the Canvas system on the regular basis. You are encouraged to read the financial news from Bloomberg or The Financial Times regularly.

### **Assessment Methods**

Class Participation	10%
Problem Sets	25%
Midterm Test	30%
Endterm Test	30%
Ethics	5%
<b>Total</b>	<b>100%</b>

### **I. Class participation (10%)**

Both class preparation and participation are important. The classroom is a great place to test and enhance your understanding of the material by asking and answering questions. It will be hard to contribute to the discussions if you are unprepared. I strongly encourage you to prepare for class.

Class participation, from clarifying questions to insightful comments, is greatly encouraged. Your active participation will transform this class into a great learning experience for everyone, including myself.

### **II. Problem Sets (25%)**

Throughout the course, there will be four problem sets on Canvas with a one-week deadline from the time they are published. Each problem set will primarily consist of numerical problems as well as multiple choice questions. These problem sets serve the purpose of ensuring that you keep up with the materials covered in the class as well as preparing you for the midterm test as well as the final exam. These are assignments to be completed individually and you will only have once chance to submit your answers.

### **III. Mid-Term Test (30%)**

Closed-book test (**Date and time: TBC**).

You are allowed to bring two calculators and a two-sided A4-sized help sheet. The examinable syllabus of the Midterm Test will cover Topics 1 – 4.

### **IV. End-Term Test (30%)**

Closed-book test (**Date and time: TBC**).

You are allowed to bring two calculators and a two-sided A4-sized help sheet. The examinable syllabus of the Midterm Test will cover Topics 5 – 8.

### **V. Investment Ethics (5%)**

There will be online materials for the study of Ethics and a quiz on the materials. This is in compliance to NUS being a CFA-affiliated institution.

**Tentative Schedule (Subject to Change):**

<b>Week</b>	<b>Topics</b>	<b>Deliverable (end of week)</b>
1	Topic 1: Introduction ( <b>BKM Chapter 1 to 5</b> )	
2	Topic 2: Portfolio Theory ( <b>BKM Chapter 6 to 7</b> )	
3	Topic 3: Asset Pricing Models ( <b>BKM Chapter 8, 9 &amp; 10</b> )	
4	Topic 3: Asset Pricing Models (cont.)	<b>Problem Set 1</b>
5	Topic 4: Efficient Market Hypothesis and Behavioural Finance ( <b>BKM Chapter 11</b> )	<b>Problem Set 2</b>
6	Revision	
<i>Recess Week</i>		
7	<b>No Lesson: Mid Term Test</b>	
8	Topic 5: Portfolio Management ( <b>BKM Chapter 24</b> )	
9	Topic 6: Bond Analysis ( <b>BKM Chapter 14, 15 &amp; 16</b> )	<b>Problem Set 3</b>
10	Topic 6: Bond Analysis (Cont.)	
11	Topic 7: Security Analysis ( <b>BKM Chapter 17, 18 &amp; 12.2</b> )	<b>Problem Set 4</b>
12	Topic 8: Future and Options ( <b>BKM Chapter 20, 21, 22, &amp; 23</b> )	
13	<b>No Lesson: End Term Test</b>	

**Academic Honesty & Plagiarism**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is “the practice of taking someone else's work or ideas and passing them off as one's own” (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule – You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

[https://www.nus.edu.sg/registrar/administrative-policies-procedures/undergraduate/acceptance-record - NUSCodeofStudentConduct](https://www.nus.edu.sg/registrar/administrative-policies-procedures/undergraduate/acceptance-record-NUSCodeofStudentConduct)

<http://nus.edu.sg/osa/resources/code-of-student-conduct>