

Fu Jen Catholic University

FIN 370 Portfolio Management

Summer 2019

Class hours: Monday through Thursday, 2 hours each day

Review and Discussion: Friday, 2 hours

Office hours: Friday/Saturday, 1 hour or by appointment

Field trip: According to Professors' teaching plan

Credit: 3

Total contact hours: 54 hours

Instructor: Chairat Chuwonganant

Course Description

This course is designed to provide a foundational introduction to the modern investment theory and practices. The focus is on the investment decision making from the perspective of the portfolio manager. The students will learn technical skills that are essential in making optimal investment decisions, as well as a broad scope of vision that is vital in constructing a robust portfolio in this globalized modern world. We will emphasize the solid understanding of key concepts of various return measures, tradeoff between risk and return, etc.

The latest development in behavioral science and its impact on investment and market will also be discussed in the lecture. Upon successfully finishing this course, students are expected to have either obtained a solid foundation for more in-depth exploration in the field for graduate studies or been prepared for further pursuing a professional career in investment.

The main topics include market indexes and their types and meanings, various investment vehicles and their valuation, portfolio optimization theory and strategies, deviation from rationality and market behaviors, etc.

If time permits, the instructor will introduce some new developments in FinTech and its applications in investment strategies. In the era of digital economy, investment is undergoing some significant long-term changes. Students will benefit from such a discussion.

Upon successfully completing this course, students will gain substantial familiarity with most investment instruments, know their risk-return characteristics, and be able to analyze their correlations and roles from the portfolio perspective, and construct efficient portfolios. Students will also gain insightful understanding about security market and security performance. This course will prepare students for a career in investment or personal financial planning, and more advanced studies in graduate programs.

Textbook

Bodie, Kane, and Marcus, *Investments*, 11th Edition, McGraw-Hill Education, 20117
 ISBN-13: 978-1259277177.

Remarks: lecture notes will be provided electronically. E-book version and earlier editions of the textbook may be used (9th or later).

Recommended books and useful resources:

- Kazemi, Black, and Chambers, *Alternative Investments*, 3rd Edition (Caia Knowledge), 2016, ISBN-13: 978-1119016397
- Yahoo Finance
- Barrons: <https://buy.barrons.com/>
- CNBC

Grading

Attendance	5%
Quizzes	15%
Homework assignments	10%
Midterm exam (in class)	35%
Final exam (in class)	35%
Total	100%

Note: Quizzes are not announced in advance and no make-up will be offered if you miss a quiz or exam. Failure to take an exam will result in an F as the final course grade.

Attendance & Classroom Disciplines

All students are expected to attend every class and actively participate in the discussions led by the instructor. Foods are prohibited during the lecture. Only drinking water is allowed. Avoid using cell phones unless approved by the instructor.

Justified absence may be excused. However, students who miss the class must present evidence, such as doctor's notes or hospital paperwork to support the excuse. There will be no makeup quizzes or lectures. Students are responsible for catching up for the missed classes.



Course Topics/Contents and Schedule

Week	Class	Contents
1	1	Investment environment
	2	Asset classes
	3	The trading of securities
	4	Mutual funds, other investment companies
2	1	Risk, return, historical record
	2	Capital allocation to risky assets
	3	Optimization of risky portfolio
	4	Index models
3	1	The capital asset pricing model (CAPM)
	2	APT and multifactor model of risk and return
	3	Review for the midterm exam
	4	The in-class midterm exam
4	1	The Efficient market hypothesis
	2	Behavioral finance
	3	Empirical evidence on risk and return
	4	Security valuation: bonds, stocks, etc.
5	1	The term structure of interest rates
	2	Fixed-Income securities
	3	Review for the final exam
	4	Discussion and Review
	5	Take the final exam in class

Note: the instructor and the TA will offer office hours on Saturday and discussion sessions on Fridays.

Homework

There will be assigned homework problems for most of the chapters. Everyone should complete the assignments independently and submit them by the deadlines. Help might be sought during the office hours from the instructor or the TA.

Exams

We will have two major exams – the midterm exam and final exam. The final exam will be covering all the material covered in class with roughly seventy percent dedicated to the contents after the midterm exam.

Academic Integrity

We treat academic integrity very seriously and uphold them unconditionally in this course. Homework assignments, quizzes and exams are to be completed independently.



However, active discussion and team spirit are encouraged in appropriate context, for example, before and after you complete an assignment, in preparation of the quizzes and exams, reviewing a topic or studying it in advance, etc. Cheating and plagiarism in any fashion are absolutely unacceptable. Upon verification, violators will lose points commensurate with the violation up to failing the course.

Grading Standards

Grade	Percent	GPA
80 to 100	A	4
70 to 79	B	3
60 to 69	C	2
50 to 59	D	1
49 and below	E	0