

Investment Management (0203980002)

2023-2024 Semester 1

Class hour: **Tues 2:15PM – 3:40PM**

Wed 10:15AM-11:40AM

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| Instructor | Xieer Dai | Phone | 13760442278 |
| Office | Mingde Building 1310 | E-mail | xieer.dai@szu.edu.cn |
| Office Hours | Tues 5:30PM – 6:30PM | Course Number | 0203980002 |
| Number of Credit | 4 points | | |

Required textbook:

1. Bodie, Z., & Kane, A. (2023). Investments, 13th ed., McGraw-Hill, Irwin.[Bodie]
2. Ross, S. A. , Westerfield, R. , Jaffe, J. & Jordan, B.D. (2022). Corporate Finance, 13th ed., McGraw-Hill, Irwin. [Ross]

Suggested textbook:

1. Fundamentals of Corporate Finance, Brealey, Myers & Marcus, 10th. Edition, ISBN 978-1-260-01396-2

Description: This course is designed to provide the students with understanding of corporate finance, trading and valuation of financial securities. This course has been written for the introductory courses in corporate finance at the MBA level and for the intermediate courses in many undergraduate programs. Some instructors will find our course appropriate for the introductory course at the undergraduate level as well. The

pre-requirement for students enrolled in this course are accounting, statistics, and economics. The only mathematics prerequisite is basic algebra. It also provides institutional details of the U.S. financial markets and case examples from the Chinese stock markets. The main topics include corporate finance; financial securities and trading; theory of asset pricing models and their applications in portfolio allocation decisions; stock and bond valuation; fixed income management; securities analysis; introduction to derivative assets. This course provides a good foundation for students who are interested in CFA exams.

Requirements:

- 8-10 Homework/Assignments
- 1 Final

Evaluation: Assignment (30%) + Class Participation (10%) + Final (60%)

Assignments: There should be about 10 assignments throughout the semester.

Academic Dishonesty: The academic integrity will be strictly applied. Students of academic dishonesty will get a mark of 0 in the course, and there will be a possible suspension or expulsion from the university.

Tentative Course Schedule:

| Lecture | Topic | Chapters |
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| 1 | The Investment Environment | [Bodie] Chapter 1 |
| 2 | Introduction to Corporate Finance | [Ross] Chapter 1 |
| 3 | Financial Statements and Cash Flow | [Ross] Chapter 2 |
| 4 | Financial Statements Analysis and Financial Models | [Ross] Chapter 3 |
| 5 | Discounted Cash Flow Valuation | [Ross] Chapter 4 |
| 6 | Net Present Value and Other Investment Rules | [Ross] Chapter 5 |
| 7 | Making Capital Investment Decisions | [Ross] Chapter 6 |
| 8 | Risk Analysis, Real Options, and Capital Budgeting | [Ross] Chapter 7 |
| 9 | Interest Rates and Bond Valuation | [Ross] Chapter 8 |

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| 10 | Stock Valuation | [Ross] Chapter 9 |
| 11 | Short-Term Finance | [Ross] Chapter 26-28 |
| 12 | Mergers, Acquisitions, and Divestitures | [Ross] Chapter 29 |
| 13 | Financial Distress | [Ross] Chapter 30 |
| 14 | Asset Classes and Financial Instruments | [Bodie] Chapter 2 |
| 15 | How Securities Are Traded | [Bodie] Chapter 3 |
| 16 | Mutual Funds and Other Investment Companies | [Bodie] Chapter 4 |
| 17 | Risk, Return, and the Historical Record | [Bodie] Chapter 5 |
| 18 | Capital Allocation to Risky Assets | [Bodie] Chapter 6 |
| 19 | Optimal Risky Portfolios | [Bodie] Chapter 7 |
| 20 | Index Models | [Bodie] Chapter 8 |
| 21 | The CAPM | [Bodie] Chapter 9 |
| 22 | Arbitrage Pricing Theory and Multifactor Model of Risk and Return | [Bodie] Chapter 10 |
| 23 | The Efficient Market Hypothesis | [Bodie] Chapter 11 |
| 24 | Behavioral Finance and Technical Analysis, Review for midterm | [Bodie] Chapter 12 |
| 25 | Macroeconomic and Industry Analysis | [Bodie] Chapter 17 |
| 26 | Equity Valuation Models | [Bodie] Chapter 18 |
| 27 | Financial Statement Analysis | [Bodie] Chapter 19 |
| 28 | Bond Prices and Yields, The Term Structure of Interest Rates | [Bodie] Chapter 14, 15 |
| 29 | Managing Bond Portfolios | [Bodie] Chapter 16 |
| 30 | Options Markets | [Bodie] Chapter 20 |
| 31 | Option Valuation | [Bodie] Chapter 21 |

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| 32 | Futures Markets | [Bodie] Chapter 22 |
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Final Exam: Week 19th,