

COURSE SYLLABUS



Investment Analysis and Portfolio Management

Course code: FIN 620/320

Semester and year: Fall 2021

Day and time: Wednesdays 14:45 – 17:30

Lecturer: David John Muir, M.Sc. MBA

Lecturer contact: david.muir@aauni.edu

Office hours: Wednesdays 14:15-14:45, 17:30 – 18:00 by appointment

Credits US/ECTS	3/6	Level	Advanced
Length	15 weeks	Pre-requisites	MA – FIN510; BA – ECO110, ECO120, ACC 263; FIN 304 strongly recommended
Contact hours	42 hours	Course type	MA/BA honors Elective

1. Course Description

This is an introductory course in Investment. The basics will be covered. An understanding of Corporate Finance is built upon from the outside of a company, looking at what an investor might wish to see. Portfolio theory, analytical techniques, methods of stock selection, and the nature of investments are all used to develop notions of the most recent investment techniques.

2. Student Learning Outcomes

Upon successful completion of this course, students should be able to:

- explain the use of investment as an activity in the current financial system;
- use any one of the decision-making models (Technical, Fundamental, Quantitative) demonstrated in the course;
- understand and be able to explain use of portfolio theory
- utilize attribution analysis;
- discuss the numerous factors which affect the investment environment;
- perform most of the functions required both manually, and with a spreadsheet.

3. Reading Material

Required Materials (Available in the Library or to Download)

Text: Essentials of Investments, Bodie, Kane, Marcus; McGraw-Hill, 1995

Handouts: Students will be provided with supplemental materials during the course

Calculators: Students should come to class with a scientific/financial calculator. Please note that calculators on most mobile phones are not adequate for the functions required.

Supplemental Materials (Available in the Library or via Interlibrary Loan)

Reilly, Frank K., and Brown, Keith C; **Investment Analysis and Portfolio Management**, South-Western College Pub, 2009

Fabozzi, Frank J.; **Fixed Income Analysis**; Wiley; 2003
 Solnik, Bruno, **Global Investments**, Prentice Hall

4. Teaching methodology

The course methodology will consist of lectures, readings, and class participation. Students will be expected to do the readings assigned for each week. Students are expected to read the topic before coming to class, and to keep up to date on current affairs which may affect investment markets.

At the end of the semester, students will be required to present a portfolio of investments they shall have worked on throughout the semester. There will be a mid-term and a final exam.

5. Course Schedule

Date	Class Agenda
Sept 1	Investor & Investment Process Introduction to Investment Theory Financial Statement Analysis Reading : Bodie Chapter 1 Reilly Chapter 2
Sept 8	Performance Attribution Reading: Reilly Chapter 3
Sept 15	Fundamental, Quantitative and Technicals Reading: Reilly Chapter 16 Discussion of Portfolios
Sept 22	Risk and Return Reading: Bodie Chapter 6 Some Basic Concepts
Sept 29	Value, Growth and Eclectic Investing Investment Styles and returns vs guidelines Reading: Reilly Chapter 17
Oct 6	Efficient Markets and Behavioral Finance Technical Analysis Efficient Market Hypothesis Reading: Reilly Chapter 6
Oct 13	Mid-term Test
Oct 20	Diversification Debt related instruments Concept of Diversification Portfolio Theory Reading: Bodie Chapters 6, 12
Nov 3	Analysing Stocks Reading: Reilly Chapter 10
Nov 10	Bond Investing Reading: Reilly Chapter 18 Present Value vs. Risk

	Types of bonds Balancing the Portfolio
Nov 24	Statistical Models & Capital Asset Pricing Model Reading: Reilly Chapter 8
Dec 1, 8	Portfolio Presentations
Dec 15	Final Exam

6. Course Requirements and Assessment (with estimated workloads)

Assignment	Workload (average)	Weight in Final Grade	Evaluated Student Learning Outcomes	Evaluated Institutional Learning Outcomes*
Portfolio	40	30%	Presentation skills, ability to explain the studied topic to peers, identify key issues, subject knowledge, ...	1,2,3
Midterm	35	30%	Must do readings and homework to keep current with models and concepts	1,2,3
Final	50	40%	Must demonstrate comprehension of concepts globally applicable to current financial reality	1,2,3
TOTAL	125	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

7. Detailed description of the assignments

The key central assignment is a synthesis of application of course content to a real life situation. Students in pairs will be required to develop, follow and ultimately evaluate a portfolio of 10 stocks which they shall have chosen at the beginning of the semester (by week 3). They shall present the results of the investment at the end of the semester. The presentation will be judged on the basis of quality of analysis, not on the basis of overall return.

Assessment breakdown:

Assessed area	Percentage
Presentation : Selection	20%
Analysis	40%
Presentation Quality	20%
Application of Theory	20%
	100%

8. General Requirements and School Policies

General requirements

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules available in the Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work.

Electronic communication and submission

The university and instructors shall only use students' university email address for communication. It is strongly recommended that any email communication between students and instructors take place in NEO LMS.

Each e-mail sent to an instructor that is about a new topic (meaning not a reply to an original email) shall have a new and clearly stated subject and shall have the course code in the subject, for example: "COM101-1 Mid-term Exam. Question".

All electronic submissions are carried out through NEO LMS. No substantial pieces of writing (especially take home exams and essays) can be submitted outside of NEO LMS.

Attendance

Attendance is required. Students who are absent 5 times or more will be failed (or administratively withdrawn from the course if most absences are excused). Students will also be marked absent if they miss a significant part of a class (by arriving late or leaving early).

Remote students are expected and strongly encouraged to attend class sessions in real time via MS Teams. However, they can watch recordings of class sessions instead of attending live, and prove their attendance by submitting a brief attendance-proving assignment within 48 hours of the class session.

Absence excuse and make-up options

Should the student be absent from a class for relevant reasons (illness, serious family matters), s/he needs to submit an Absence Excuse Form supplemented with documents proving the reasons for absence to the Assistant Dean. Should a student be absent during the add/drop period due to a change in registration this will be an excused absence if they submit an Absence Excuse Form along with the finalized add/drop form. The form and documents must be submitted within one week of absence. If possible, it is recommended to inform the instructor about the absence in advance.

Students whose absence has been excused by the Dean are entitled to make up exams they missed provided that the nature of the exam allows for a make-up. The students are responsible for contacting their instructor within one week from the date the absence was excused, and for making arrangements with the instructor about make-up options as necessary.

Assignments missed due to unexcused absences cannot be made up.

Late work: No late submissions will be accepted – please follow the deadlines.

Electronic devices

Any electronic devices (phones, tablets, laptops...) may be used only for class-related activities (taking notes, looking up related information...). Any other use will result in being marked absent and/or being expelled from the class. No electronic devices may be used during the tests.

Eating is not allowed during classes.

Cheating and disruptive behavior

If a student engages in disruptive or other conduct unsuitable for a classroom environment of an institution of learning, the instructor may require the student to withdraw from the

room for the duration of the activity or for the day and shall report the behavior to the Dean.

Students engaging in behavior which is suggestive of cheating (e.g. whispering or passing notes) will, at a minimum, be warned. In the case of continued misbehavior the student will be expelled from the exam and the exam will be marked as failed.

Plagiarism and Academic Tutoring Center

Plagiarism is “the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one’s own original work.” (Random House Unabridged Dictionary, 2nd Edition, Random House, New York, 1993)

Turnitin’s White Paper ‘The Plagiarism Spectrum’ (available at <http://go.turnitin.com/paper/plagiarism-spectrum>) identifies 10 types of plagiarism ordered from most to least severe:

1. CLONE: An act of submitting another’s work, word-for-word, as one’s own.
2. CTRL-C: A written piece that contains significant portions of text from a single source without alterations.
3. FIND-REPLACE: The act of changing key words and phrases but retaining the essential content of the source in a paper.
4. REMIX: An act of paraphrasing from other sources and making the content fit together seamlessly.
5. RECYCLE: The act of borrowing generously from one’s own previous work without citation; To self-plagiarize.
6. HYBRID: The act of combining perfectly cited sources with copied passages—without citation—in one paper.
7. MASHUP: A paper that represents a mix of copied material from several different sources without proper citation.
8. 404 ERROR: A written piece that includes citations to non-existent or inaccurate information about sources
9. AGGREGATOR: The “Aggregator” includes proper citation, but the paper contains almost no original work.
10. RE-TWEET: This paper includes proper citation, but relies too closely on the text’s original wording and/or structure.

As the minimum policy the types of plagiarism from 1 through 8 results in the failing grade from the assignment and must be reported to the Dean. The Dean may initiate a disciplinary procedure pursuant to the Academic Codex. Allegations of bought papers and intentional or consistent plagiarism always entail disciplinary hearing and may result in expulsion from AAU.

If unsure about technical aspects of writing, students are encouraged to consult their papers with the tutors of the AAU Academic Tutoring Center. For more information and/or to book a tutor, please contact the ATC at: <http://atc.simplybook.me/scheduler/manage/event/1/>.

Students with disabilities

Students with disabilities are asked to contact their instructor as soon as possible to discuss reasonable accommodation.

9. Grading Scale

Letter Grade	Percentage	Description
A	95 – 100	Excellent performance. The student has shown originality and displayed an exceptional grasp of the material and a deep analytical understanding of the subject.
A-	90 – 94	

B+	87 - 89	Good performance. The student has mastered the material, understands the subject well and has shown some originality of thought and/or considerable effort.
B	83 - 86	
B-	80 - 82	
C+	77 - 79	Fair performance. The student has acquired an acceptable understanding of the material and essential subject matter of the course, but has not succeeded in translating this understanding into consistently creative or original work.
C	73 - 76	
C-	70 - 72	
D+	65 - 70	Poor. The student has shown some understanding of the material and subject matter covered during the course. The student's work, however, has not shown enough effort or understanding to allow for a passing grade in School Required Courses. It does qualify as a passing mark for the General College Courses and Electives.
D	60 - 64	
F	0 - 59	Fail. The student has not succeeded in mastering the subject matter covered in the course.

Prepared by and when: David John Muir, June 28, 2021

Approved by and when: Jan Vasenda, Ph D., Dean of School of Business Administration, August 26, 2021