

City University of Hong Kong

Information on a Course
offered by the Department of Economics and Finance
with effect from Semester B in 2014 / 2015

Part I

Course Title: Investments

Course Code: EF5052

Course Duration: 1 semester (39 hours)

Credit Units: 3

Level: P5

Medium of Instruction: English

Prerequisites:

Precursors: EF5042 Corporate Finance and EF5070 Econometrics / EF5370 Mathematics and Statistics for Financial Services / MA5182 Mathematical Methods in Finance

Equivalent Courses: FB5153 Investment Analysis & Portfolio Management

Exclusive Courses: Nil

Part II

1. Course Aims:

This course aims to develop students' ability to analyse the return generating process of assets including stocks and bonds, and to explore how various assets can be combined to form efficient portfolios in the mean-variance framework. In particular, this course intends to help students to develop their career as a financial advisors or analysts. So, students are trained to apply what they learn during the course to financial problems in practice.

2. Course Intended Learning Outcomes (CILOs)

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

No.	CILOs	Weighting (if applicable)
CILO1	Analyze securities markets and investment companies	10 percent
CILO2	Apply classical portfolio theory and integrate with risk attitude to form an efficient portfolio	30 percent
CILO3	Evaluate risk and return using standard asset pricing models	30 percent
CILO4	Evaluate fund performance and bond portfolio	30 percent

3. Teaching and learning Activities (TLAs)

(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)

ILO No	TLAs	Hours/week (if applicable)
CILO 1	TLA1: Lectures, and TLA2: in-class discussions	3 hours lecture per week
CILO 2	TLA1; TLA2; TLA3: Students' case analysis/project; TLA4: students' in-class interaction	3 hours lecture per week
CILO 3	TLA1; TLA2; TLA3;	3 hours lecture per week
CILO 4	TLA3; TLA4;	3 hour per week

4. Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of assessment tasks/activities	Weighting (if applicable)	Remarks
CILO 1-4	Exam/quiz/case studies/class discussion/assignment/Group project, etc.		

- Case/group project to facilitate students' discovery of problems and solutions during discussion with their peers.

Constructive Alignment of CILOs and Assessment Methods

	Examination (2 hours)	Coursework	Total
CILO 1-4	70%	30%	100%

5. Grading of Student Achievement: Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

Letter Grade	Grade Points	Grade Definitions	Remarks
A+ A A-	4.3 4.0 3.7	Excellent	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs. Students have demonstrated very strong overall ability to discover and innovate, and showed very strong evidence of accomplishments in discovery.
B+ B B-	3.3 3.0 2.7	Good	Evidence of knowing how to apply the related concepts outlined in CILOs. Students have demonstrated strong overall ability to discover and innovate, and showed strong evidence of accomplishments in discovery.
C+ C C-	2.3 2.0 1.7	Adequate	Some evidence of knowing how to apply the concepts outlined in CILOs. Students have demonstrated some ability to discover and innovate, and showed satisfactory evidence of accomplishments in discovery.
D	1.0	Marginal	Marginal familiarity with the subject of portfolio investment. Students have demonstrated marginal ability to discover and innovate, and showed marginal evidence of accomplishments in discovery.
F	0.0	Failure	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam. Students have demonstrated little evidence of ability to discover and innovate, and showed little evidence of accomplishments in discovery.

Part III

Keyword Syllabus:

Asset Classes, Costs of Trading, Mutual Funds, History of Interest Rates and Risk Premiums, The asset allocation question, Capital Asset Pricing Model (CAPM), The Index Model and CAPM, Multifactor models and Arbitrage Pricing Theory, Market Efficiency, Term Structure of Interest Rates, Investment Strategy and Performance Measures, Bond Portfolio.

Recommended Reading:

Textbook:

Bodie, Kane and Marcus: Investments, Current Ed., McGraw-Hill;

Online Resources:

Lecture notes, newspaper clippings and articles.

Websites from:

Online Learning Center: http://highered.mcgraw-hill.com/sites/0072339160/student_view0/
and this is under <http://www.mhhe.com/business/finance/bkm/>