

EF5052: INVESTMENTS

Effective Term

Semester A 2025/26

Part I Course Overview

Course Title

Investments

Subject Code

EF - Economics and Finance

Course Number

5052

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

Nil

Precursors

Students are required to have solid knowledge of basic statistics, e.g., variance, covariance, and especially regression analysis.

Equivalent Courses

FB5153 Investment Analysis and Portfolio Management

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims to develop students' ability to analyse the return generating process of assets including stocks and bonds, and 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.

Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Describe the fundamental characteristics of securities markets and investment companies.	25	x	x	x
2	Apply classical portfolio theory and integrate it with risk attitude to form an efficient portfolio.	25	x	x	x
3	Explain risk and return characteristics using standard asset pricing models.	25	x	x	x
4	Evaluate fund performance and bond portfolio.	25	x	x	x

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)	
1	Lectures and in-class discussions	Students will engage in formal lectures to gain knowledge and will discuss key issues of real-world examples.	1, 2, 3	3 hours lecture per week
2	Case analysis/project	Students will work on case analysis/projects as a group or independently and will conduct an independent analysis to develop solutions to critical issues.	2, 3, 4	3 hours lecture per week
3	In-class interaction	-	4	3 hours lecture per week

Assessment Tasks / Activities (ATs)

ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?	
1	Coursework (e.g., class participation, homework, group project, presentation, quiz/ mid-term exam)	1, 2, 3, 4	50	For homework and group project, students can use Generative Artificial Intelligence Tools to help them understand the concepts/ questions/ problems, or analyze data. But the final version must be their own work, e.g., students cannot copy and paste the AI answers as their own answers. Students are not allowed to use Generative Artificial Intelligence Tools in mid-term examination(s)/ quiz(zes).	Yes

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Additional Information for ATs

Students are not allowed to use Generative Artificial Intelligence Tools in the final examination.

Assessment Rubrics (AR)**Assessment Task**

Coursework(e.g. class participation, homework, group project, presentation, quiz/mid-term exam) (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

general

Excellent

(A+, A, A-) Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.

Good

(B+, B, B-) Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.

Fair

(C+, C, C-) Some evidence of knowing how to apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases in a fragmented way.

Marginal

(D) Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).

Failure

(F) Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.

Assessment Task

Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

general

Excellent

(A+, A, A-) Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.

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(D) Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).

Failure

(F) Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.

Assessment Task

Coursework (e.g. class participation, homework, group project, presentation, quiz/mid-term exam) (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

general

Excellent

(A+, A, A-) Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.

Good

(B+, B) Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.

Marginal

(B-, C+, C) Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).

Failure

(F) Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.

Assessment Task

Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

general

Excellent

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Part III Other Information

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.

Reading List

Compulsory Readings

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

Additional Readings

Title	
1	Lecture notes, newspaper clippings and articles.