B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN 312 Investments

Semester: 2/2020 (January 20 – May 19, 2021)

Lecture Time: Wednesdays, 11.00 – 14.00 hrs.

Lecture Venue: Virtual until further announced

Instructor: Dr. Pym Manopimoke
Email: pm2161@gmail.com
Office Hours: By appointment

Prerequisites: (1) FN201 and (2) MA216 and (3) BA204 or (ST211 and ST212) or (ST216 and ST217) or (ST218 and ST319)

Course Description and Objectives:

This course aims to provide the student with a deeper understanding and appreciation of the complex questions and tradeoffs facing any investor, along with the necessary theoretical background for critically evaluating alternative investment strategies and the modern literature on investments. The course is designed to provide a conceptual framework for analyzing investment decisions, and the course will entail the use of a number of different statistical tools, ranging from the notion of probability distributions through linear regression analysis.

Required Textbook and Recommended Readings:

[Required Textbook] Investments by Zvi Bodie, Alex Kane, Alan J. Marcus and Ravi Jain, Asia Global Edition, McGraw-Hill.

The Bodie, Kane and Marcus (BKM) book provides a comprehensive treatment of modern investment theory. We will not be able to cover the entire book in a single semester class. Additional readings will be assigned at the end of each lecture to complement the book. Some of these readings will be fairly technical and students are not expected to understand every detail. Students are also encouraged to keep abreast of daily events in the financial markets which are covered in the media to be discussed in class.

Course Evaluation:

Homework (20%), Investment challenge (20%), Quizzes (20%), Midterm Exam (15%), Final Exam (25%).

Students must take all exams and quizzes to pass the class. Note that there will be no make-up exams without written documentation of an emergency such as hospitalization, military service, death in family. Exams will NOT be rescheduled to facilitate holiday travel. Letter grades you receive in the course are final. If you disagree with how the exams are graded, you may submit a request for re-grading in writing. If the request is granted, the entire exam will be re-graded. Note that attendance is required for the course.

Academic Integrity:

The rules of academic integrity will be strictly enforced and will not be tolerated under any circumstances. Please refer to the relevant Thammasat University's academic integrity guidelines.

Tentative Schedule

Session/ Date	Topics	Readings
#1: January 20	Introduction; Risk and Return	BKM Ch 1-2
#2: January 27	Risk and Return, Capital Allocation to Risky Assets	BKM Ch 5, 6
#3: February 3	Capital Allocation to Risky Assets	BKM Ch 6
#4: February 10	Optimal Risky Portfolios	BKM Ch 7
#5: February 17	Optimal Risky Portfolios	BKM Ch 7
#6: February 24	Index Models, The Capital Asset Pricing Model (CAPM)	BKM Ch 8, 9
#6: March 3	Review	
March 12	**Midterm Exam 12.00-14.00**	
#7: March 17	Arbitrage Pricing Theory and Multifactor Models; Empirical Evidence on CAPM	BKM Ch 10, 13
#8: March 24	The Term Structure of Interest Rates	BKM Ch 15
#9: March 31	Options Markets: Introduction	BKM Ch 20
#10: April 7	Options Valuation	BKM Ch 21
#11: April 21	Options Valuation	BKM Ch 21
#12: April 28	Futures Market	BKM Ch 22
#13: May 5	Futures Market	BKM Ch 22, 23
#14: May 12	Special Topics	TBD
# 15 May 19	Review	
May 25	**Final Examination 13.30 – 16.30**	

Remarks:

- Semester Begins — January 20, 2021
- Withdrawal with "W" on record — March 24 – May 6, 2021
- Mid-Term Examination Period — March 10 -16, 2021
- Last day of class — May 19, 2021
- Final Examination Period — May 20 – June 5, 2021