



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

FN 312 Investments

Semester 1/2016

Lecture Time: Wednesdays, Fridays, 11.00 – 14.00 hrs.
Lecture Venue: Room 206, Faculty of Economics
Instructor: Dr. Pym Manopimoke
Email: pymm@bot.or.th
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. ISBN: 978-007-126228-6.

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 (10%), Investment challenge (15%), Midterm Exam (30%), Final Exam (45%).

Details of the investment challenge will be discussed in class. Hardcopies are required for the submission of all homework assignments which are due at the beginning of the class. Late homeworks will not be accepted under any circumstances.

Students must take both exams 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.

Important Dates

Class Begins	August 15
Adding and Dropping Course	August 15-29
Midterm Exam Period	October 3-8 (No lectures)
Midterm Exam	October 5, 11-13:00 hrs.
Course Withdrawal with "W"	October 19-25
Last Day of Classes	December 4
Final Exam Period	December 6-22 (No lectures)
Final Exam	December 17, 13.30-16:30 hrs.

Tentative Schedule

Session/ Date	Topics	Readings
#1: Aug 17	Introduction; Asset Classes and Financial Instruments	BKM Ch 1-2
#2: Aug 24	Risk, Return and the Historical Record; Risk Aversion and Capital Allocation to Risky Assets	BKM Ch 5-6
#3: Aug 31	Optimal Risky Portfolios	BKM Ch 7
#4: Sep 7	Optimal Risky Portfolios, The Capital Asset Pricing Model	BKM Ch 7, 9
#5: Sep 14	The Capital Asset Pricing Model (CAPM)	BKM Ch 9
#6: Sep 21	Single Index Models, Empirical Evidence on CAPM	BKM Ch 8, 13
#7: Sep 28	Review	
Exam: Oct 5 & 7	Midterm Exam: 11 – 13:00 hrs.	
#8: Oct 12	Bond Prices and Yields	BKM Ch 14
#9: Oct 19	The Term Structure of Interest Rates	BKM Ch 15
#10: Oct 26	Equity Valuation Models	BKM Ch 18
#11: Nov 2	Options and Futures	BKM Ch 20-22
#12: Nov 9	Portfolio Performance Evaluation	BKM Ch 24
#13: Nov 16	International Diversification	BKM Ch 25
#14: Nov 23	Global Financial Crisis	Lecture Notes
#15: Nov 30	Review	
Exam: Dec 17	Final Examination: 13:30-16:30 hrs.	