B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN 312 Investments

Semester: 1/2020 (August 10 – November 28, 2020)

Lecture Time: Wednesdays, 11.00 – 14.00 hrs.

Lecture Venue: Room 101, 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.

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 (15%), Midterm Exam (25%), Final Exam (40%).

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.

Tentative Schedule

Session/ Date	Topics	Readings
#1: August19	Introduction; Risk and Return	BKM Ch 1-2, 5
#2: August 26	Capital Allocation to Risky Assets	BKM Ch 6
#3: September 2	Optimal Risky Portfolios	BKM Ch 7
#4: September 9	Optimal Risky Portfolios	BKM Ch 7
#5: September 16	Index Models, The Capital Asset Pricing Model (CAPM)	BKM Ch 8, 9
#6: September 23	Review	
Exam: October 2	**Midterm Exam**	
#7: October 7	Arbitrage Pricing Theory and Multifactor Models; Empirical Evidence on CAPM	BKM Ch 10, 13
#8: October 14	The Term Structure of Interest Rates	BKM Ch 15
#9: October 21	Options Markets: Introduction	BKM Ch 20
#10: October 28	Options Valuation	BKM Ch 21
#11: November 4	Options Valuation	BKM Ch 21
#12: November 11	Futures Market	BKM Ch 22
#13: November 18	Special Topics	TBD
#14: November 25	Review	
Exam: November 30	**Final Examination**	

Remarks:

- Semester Begins — August 10, 2020
- Withdrawal with "W" on record — October 12 – November 15, 2020
- Mid-Term Examination Period — September 28 – October 3, 2020
- Last day of class — November 28, 2020
- Final Examination Period — November 30 – December 16, 2020