



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline **FN 312 Investments**

Semester: 1/2017 (August 15 – December 9, 2017)

Instructor: Dr. Pym Manopimoke
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Class Schedule: Wednesday, 11.00 – 14.00 hrs.

Class Room: Room 204, Faculty of Economics

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 (15%), Investment challenge (15%), Midterm Exam (30%), Final Exam (40%).

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.

Tentative Schedule

Session/ Date	Topics	Readings
#1: Aug 16	Introduction	BKM Ch 1-2
#2: Aug 23	Risk and Return	BKM Ch 5
#3: Aug 30	Capital Allocation to Risky Assets	BKM Ch 6
#4: Sep 6	Optical Risky Portfolios	BKM Ch 7
#5: Sep 13	Index Models	BKM Ch 8
#6: Sep 20	The Capital Asset Pricing Model (CAPM)	BKM Ch 9
#7: Sep 27	Review	Lecture Notes
Exam: Oct 4	Midterm Exam: 11:00 – 12:30 hrs.	
#8: Oct 11	Empirical Evidence on CAPM, Factor Models	BKM Ch 10, 13
#9: Oct 18	The Term Structure of Interest Rates	BKM Ch 15
#10: Nov 1	Option Markets: Introduction	BKM Ch 20
#11: Nov 8	Option Markets: Introduction	BKM Ch 20
#12: Nov 15	Options Valuation	BKM Ch 21
#13: Nov 22	Futures Market	BKM Ch 22
#14: Nov 29	Futures, Swaps and Risk Management	BKM Ch 23
#15: Dec 6	Review	Lecture notes
Exam: Dec 18	Final Examination: 13:30-16:30 hrs.	

Remarks:

- ◆ First semester begins August 15, 2017
- ◆ Period of withdrawal without “W” August 15 - 28, 2017
- ◆ **Mid-Term Examination Period** **October 2 - 7, 2017**
(Wednesday, October 4, 2017, 11.00 - 12.30 hrs.)

- ◆ His Majesty the late King Bhumibol Adulyadej October 13, 2017
Memorial Day *
- ◆ Course withdrawal with “W” October 18 - 24, 2017
- ◆ The royal cremation ceremonies of HM the late October 23 - 29, 2017
King Bhumibol Adulyadej *
- ◆ **Final Examination Period** **December 12 - 24, 2017**
(Monday, December 18, 2017, 13.30 – 16.30 hrs.)

* No classes during this period