

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2020 Fall (August 29, 2020 – January 10, 2021)
<u>Course Name</u>	Equity Investment and Portfolio Management
<u>Course Code</u>	FI303
<u>Course Type</u>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input type="checkbox"/> Professional Course (Required) <input checked="" type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course
<u>Course Credits</u>	3
<u>Course Hours</u>	3*16=48
<u>Prerequisites</u>	Introduction to Finance
<u>Instructor</u>	Manqiu Wei (Eunice Wei)
<u>Contact Information</u>	Office: C203 Tele: (010)8395 1085 Email:eunicewei2013@163.com
<u>Office Hour</u>	T: 15:30-17:30; TH: 11:00-12:00; F: 13:00-16:00.
<u>Learning Centre</u>	M: 15:30-17:30; M: 18:00-20:00
<u>Grade/Section</u>	2018BA Y01/Y02
<u>Course Time/Place</u>	Y01 W: 8:00—9:50 / BX206 F: 10:10—11:00 / BX206 Y02 M: 13:30—15:20 / BX208 TH: 10:10—11:00 / BX208

Textbook

Zvi Bodie et al. *Essentials of investments, 10th Edition*, Tsinghua University Press, Beijing, ISBN: 978-7-302-47186-8

Reference Books

1. Frank K. Reilly, et al. *Analysis of Investments and Management of Portfolio, 10th Edition*, China Machine Press, Beijing, ISBN: 978-7-111-43864-9

Course Description

This course aims to equip students with the essential knowledge of investments, portfolio management and equity security analysis. Key areas covered in this course include asset classes and financial instruments, securities markets, mutual funds and other investment companies, risk and return, efficient diversification, capital asset pricing model, efficient market hypothesis, behavioral finance, equity valuation and financial statement analysis.


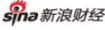
Student Learning Objectives

After completing this course, students should be able to:

- Describe different asset class and financial instruments;
- Describe security markets organization and structure;
- Explain risk and return and calculate returns using related models;
- Explain the concept of diversification and portfolio management;

- Discuss different forms of market efficiency and the implications for investment analysis;
- Discuss financial statement analysis, macroeconomic and industry analysis;
- Apply equity valuation models to estimate equity values;
- Describe various types of behavioral critiques.

Website Source

1. [http:// www.sse.com.cn](http://www.sse.com.cn) Shanghai Stock Exchange
2. <http://www.szse.cn/> Shenzhen Stock Exchange
3. <https://www.hkex.com.hk/> Hong Kong Exchanges
4. <https://www.nyse.com/index> New York Stock Exchange
5. <https://www.londonstockexchange.com/> London Stock Exchange
6. <http://www.csrc.gov.cn/pub/newsite/> 
7. <https://finance.sina.com.cn/> 
8. <http://quotes.money.163.com/stock>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 50 minutes in class.
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures or course related materials. Each group needs to finish a PPT related to the topic

		which is given, and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Midterm test	20%	
Final exam		20%
Total	40%	60%

Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0- 59

Exam Schedule

Midterm Test: Oct.26 - 30;

Final Exam: Dec.23- Jan.1, 2021

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ◆ Being late for 15 minutes or more is considered an absence.
- ◆ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the

teacher.

- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly.

But students are welcome to continue attending classes.

- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

☞ Textbook

Students must bring the textbook to class.

Topical Course Outline

Week	Date	Topics	
1	Aug. 31	<ul style="list-style-type: none"> ● Syllabus ● Course introduction ● Chapter 1# Investment: Background and Issues 1.1 Real Assets versus Financial Assets 1.2 Financial Assets 1.3 Financial Markets and the Economy — Summary ** Bilingual 	
	Sep. 2	<ul style="list-style-type: none"> 1.4 The Investment Process 1.5 Markets are Competitive 1.6 The Players — Summary ** Bilingual 	C1 P25 Webmaster Tasks
2	Sep. 7	<ul style="list-style-type: none"> ● Chapter 2# Asset Classes And Financial Instruments 2.1 The Money Market 2.2 The Bond Market 2.3. Equity Securities — Summary ** Bilingual 	
	Sep. 9	<ul style="list-style-type: none"> 2.4 Stock and Bond Market Indexes 2.5 Derivative Markets — Summary ** Bilingual 	
3	Sep. 14	<ul style="list-style-type: none"> ● Chapter 3# How Securities Are Traded 3.1 How Firms Issue Securities 3.2 How Securities Are Traded 3.3 The Rise of Electronic Trading 	

		3.4 U.S. Markets 3.5 New Trading Strategies — Summary ** Bilingual	
	Sep. 16	3.7 Trading Costs 3.8 Buying on Margin 3.9 Short Sales — Summary ** Bilingual	
4	Sep. 21	<p>● Chapter 4# Mutual Funds And Other Investment Companies</p> 4.1 Investment Companies 4.2 Types of Investment Companies 4.3 Mutual Funds 4.4 Costs of Investing in Mutual Funds 4.6 Exchange Traded Funds — Summary ** Bilingual	C4 P107 Webmaster Tasks
	Sep. 23	— Comprehensive Exercises and explanations ** Bilingual	—
5	Sep. 28	<p>● Chapter 5# Risk, Return, And The Historical Record</p> 5.1 Rate of return 5.2 Inflation and real rate of interest 5.3 Risk and Risk Premiums 5.5 Asset allocation across risky and risk-free portfolios — Summary ** Bilingual	
	Sep. 30	(Cont.)5.5 Asset allocation across risky and risk-free portfolios 5.6 Passive strategies and the capital market line — Summary ** Bilingual	
6	Oct.5	<p>● Chapter 6# Efficient Diversification</p> 6.1 Diversification and Portfolio Risk 6.2 Asset Allocation with Two Risky Assets 6.3 The Optimal Risky Portfolio with Risk-Free Assets — Summary ** Bilingual	
	Oct.7	6.4 Efficient Diversification With Many Risky Assets 6.5 A Single-Index Stock Market — Summary ** Bilingual	
	Oct.12	— Comprehensive Exercises and explanations for chapter 5&6	
7	Oct.14	<p>● Chapter 7# Capital Asset Pricing and Arbitrage Pricing Theory</p> 7.1 The Capital Asset Pricing Model 7.2 The CAPM And Index Models — Summary ** Bilingual	
	Oct.19	7.4 Multifactor Models And The CAPM — Summary ** Bilingual — Comprehensive Exercises and explanations — Summary ** Bilingual	
8	Oct.21	<p>● Chapter 8# The Efficient Market Hypothesis</p> 8.1 Random Walks and the Efficient Market Hypothesis 8.2 Implications of the EMH — Summary ** Bilingual	
9	Oct.26	— Midterm Revision And Comprehensive Exercises	
	Oct.28	● Midterm Test	
10	Nov.2	<p>● Chapter 9# Behavioral Finance and Technical Analysis</p> 9.1 The Behavioral Critique 9.2 Technical Analysis and Behavioral Finance — Summary ** Bilingual	

	Nov. 4	(Cont.) 9.2 Technical Analysis and Behavioral Finance — Summary ** Bilingual	
11	Nov. 9	● Chapter 13# Equity Valuation Models 13.1 Valuation by Comparables 13.2 Intrinsic Value versus Market Price 13.3 Dividend Discount Models — Summary ** Bilingual	
	Nov. 11	13.4. Price Earnings Ratios 13.5 Free Cash Flow Valuation Approaches — Summary ** Bilingual	
12	Nov. 16	— Comprehensive Exercises and explanations — Summary ** Bilingual	
	Nov.18	● Chapter 14# Financial Statement Analysis 14.1 Major Financial Statements 14.2 Measuring Firm Performance 14.3 Profitability Measures	
13	Nov.23	14.4 Ratio Analysis 14.7 Value Investing: The Graham Technique — Summary ** Bilingual	
	Nov. 25	● Chapter 12# Macroeconomic And Industry Analysis 12.1 The Global Economy 12.2 The Domestic Macroeconomy 12.3 Interest Rate 12.5 Government Policy 12.6 Business Cycles 12.7 Industry Analysis — Summary ** Bilingual	
14	Nov. 30	—Comprehensive Exercises and explanations ** Bilingual	
	Dec. 2	— Comprehensive Exercises and explanations ** Bilingual	
15	Dec. 7	Revision ** Bilingual	
	Dec. 9	Presentation	
16	Dec. 14	Presentation	
	Dec. 16	Presentation	—

Note: Some chapters or sections may leave for self-study, this is the students' duty to learn and understand, they may also be included in the quizzes or exams.

A review in Chinese may be held during L.C. and O.H. in the semester.

Teacher's Office Hour

- ◆ The instructor's office hour is shown in the front of the office door.
- ◆ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ◆ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be

carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

Fall Semester, 2020	August 29, 2020 – January 10, 2021
August 31	Classes Begin
Oct.1	National Day & Mid-Autumn Festival
Oct.26 - 30	Midterm Test (tentative)
Dec.19-22	Revision (Sophomores and Juniors)
Dec. 23-Jan.1	Final Exam Period (Sophomores and Juniors)

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.

Instructor: Eunice Wei

Department Head: _____

