Rutgers Business School – Newark, Fall 2018
Investments Graduate (29:390:603 & 29:839:603), Section 40

Professor Francis K.W. Ng

Time: Monday: 6:00PM – 9:00PM
Place: 1WP-408
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Office Hours: Monday 5:00 PM – 6:00PM
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Course Overview and Objectives

This course introduces various asset classes including equities, fixed income, real estate and derivatives. It introduces students to basic Portfolio theory, CAPM, Market Efficiency and their implications in terms of investment. It looks at Risk Factor models versus Expected Return models. The course also looks at various aspects of trading, stock selection, hedging, portfolio strategies, asset allocation and investment philosophy.

This course is foundational to students who are serious in pursuing a career relating to investment, portfolio management and trading.

Course Materials

All lecture notes and power points will be distribute via Blackboard. Students are expected to purchase a copy of the textbook. Students will be taught how to use the financial calculator. The choice of calculator is Texas Instruments BA II Plus.

Textbooks:
Investments, 10th edition, by Zvi Bodie, Alex Kane and Alan Marcus
Publisher: McGraw-Hill *(8th or 9th edition of this book will suffice)*
OR
Essentials of Investments, 10th edition, by Zvi Bodie, Alex Kane and Alan Marcus,
Publisher: McGraw-Hill *(8th or 9th edition of this book will suffice)*

The grading system is shown below. Students are required to form teams of 4 and using Bloomberg's EQS to select portfolio. Each team will present the results of the back testing and explain their criteria. Additional credits will be given for full attendance (*taken on random days*) plus **active class participation.**

Grades	**Points**
Mid-Term Exam (2 hours)	40
Team Project	30
Final Exam (2 hours)	30
	100
Bonus points for	
100% attendance	2
Active Q&A	2

Course Outline

Date	Topic	Lecture Note
Week 1	Investments: Issues	Chapter 1, PP-1
	Asset Classes & Financial Instruments	Chapter 2, PP-2
	Stock Screeners – Finviz.com	Online tool
	Do Homework 1 & 2	
Week 2	Securities Market	Chapter 3, PP-3
	Investment Companies	Chapter 4, PP-4
	ETF	PP-4B
	Review HW 1 & 2	
	Do Homework 3 & 4	
Week 3	Risk and Return	Chapter 5, PP-5
	Applications using Financial Calculator 1 and 2	
	Review Quiz on Chapters 1, 2, 3 & 4	
	Review HW 3 & 4	
	Do Homework 5	
Week 4	Market Efficiency vs Behavioral Theory	Chapters 8 &9
	(A quick overview)	
	Efficient Diversification	Chapter 6, PP-6
	Portfolio Selection using Markowitz Model in Excel	
	Review HW 5	
	Do Homework 6	
Week 5	SML, CAPM and Applications	Chapter 7, PP-7
	Review Quiz on Chapters 5, 6 & 7	
	Review HW 6	
	Do Homework 7	
Week 6	***Mid-Term Exam (3 hours)***	
Week 7	Bond Prices & Yields	Chapter 10, PP-10
	Do Homework 10	
Week 8	Managing Bond Portfolio	Chapter 11, PP-11
	Review HW 10	
	Do Homework 11	
Week 9	Equity Valuation	Chapter 13, PP-13
	Sector Rotation	PP-13B
	Review Quiz on Chapters 10 & 11	
	Do Homework 12	
Week 10	Basic Option	Chapter 15, PP-15B
	Review HW 12	
	Do Homework 15	

Week 11	Basic Forward & Futures ***Do Homework 17***	Chapter 17, PP-17
Week 12	Investment Philosophies, Evidence from Return Models Risk Factor Models vs Expected Return Factor Model *Review HW 15 & 17* *Review Quiz on Chapters 15 & 17*	PP-18 Private Notes
Week 13	Team presentation.	
Week 14	***Final Exam (3 hours)***	