



北京大學
汇丰商学院

Peking University HSBC Business School

Alternative Investments
2024 1st Module

Course Information

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Office Hour: by appointment

Classes:

Lectures: Tuesday & Friday 3:30pm- 5:20pm

Venue: PHBS Building, Room

1. Course Description

1.1 Context

Course overview:

The global economy is undergoing dramatic transformation, driven by disruptive technological innovations. New investment paradigms need to be developed in order to keep up with the rapid evolution of financial markets, especially the alternative investment markets.

This course aims to provide a comprehensive introduction on the alternative investments, including many emerging assets. We will emphasize both theory and practice. The course materials are largely drawn from my own research in this field over the past ten years.

Prerequisites: no

1.2 Textbooks and Reading Materials

Textbook

涂志勇、睢岚，2013年，《中国另类金融投资》，北京大学出版社。

Zhiyong Tu and Lan Ju, 2013, *China's Financial Alternative Investments*, Peking University Press.

Supplementary readings

Book chapters and research papers

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes
	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

Appreciate the universe of alternative investments; understand their basic properties and functions; comprehend the underlying theories for unique investment subjects; develop investment strategies; assess alternative investments quantitatively.

3. Grading/Exam

3.1 Assessment

40%: Group Project

~Material preparation 10 points

~Presentation 10 points

~ Reports 10 points

50%: Final exam

10%: Class participation

3.2 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

4. Course Contents

4.1 Background

4.1.1 Introduction

Basic properties
Prospect of alternative investments
Culture and alternative investments

➤ *Key Questions*

Source of return
Fundamental value

➤ *Readings*

“导论与理论框架”：《中国另类金融投资》，涂志勇、睢岚，北京大学出版社，2013年。

4.2 Alternative Investments I: Financial Assets

4.2.1 Derivatives

➤ *Theory*

Normal backwardation

➤ *Readings*

“Emerging Impact of Chinese Commodity Futures Market on Domestic and Global Economy,” (Z. Tu, M. Song and L. Zhang), *China & World Economy*, 2013 Vol. 21, No.6, 79-99.

“股指期货推出对现货市场价格影响的理论分析,” (涂志勇, 郭明), 《金融研究》, 2008年第10期。

4.2.2 PE/VC

➤ *Theory*

Liquidity premium

➤ *Readings*

“Private equity performance and liquidity risk”, (F. Franzoni, E. Nowak and L. Phalippou), *Journal of Finance*, Vol. 67, No. 6, 2012.

“Illiquidity Premia in Asset Returns: An Empirical Analysis of Hedge Funds, Mutual Funds, and US Equity Portfolios”, (A. E. Khandani and A. Lo), *Quarterly journal of finance*, Vol. 1, No. 2, 2011

4.3 Alternative Investments II: Real Assets

4.3.1 Artwork

➤ *Theory*

Art value components

➤ *Readings*

“Buying Beauty: On Prices and Returns in the Art Market,” (L. Renneboog and C. Spaenjers), *Management Science*, Vol.59, No.1, 2012.

“Horizon Analysis of Art Investments: Evidence from the Chinese Market,” (H. Park, L. Ju and T. Liang, and Z. Tu), *Pacific-Basin Finance Journal*, 2017 Vol.41, Feb.17-25.

4.3.2 Wine

➤ *Theory*

The value of time

➤ *Readings*

“The Price of Wine,” (E. Dimson, P. L. Rousseau and C. Spaenjers), *Journal of Financial Economics*, Vol. 118, No. 2, 2015.

“Is it worth investing in Chinese liquor: Maotai?”, (Z. Tu and Y. Zhou), PHBS working paper, 2024.

4.3.3 Stone

➤ *Theory*

Market structure/market making

➤ *Readings*

“Deconstructing the Price of Diamonds,” (N. Stier-Moses and A. Zeevi), *Columbia CaseWorks*, ID#080201, 2008.

“Hard assets: The returns on rare diamonds and gems,” (L Renneboog and C Spaenjers), *Finance Research Letters*, Vol.9, No.2, 2012.

4.3.4 Others

Porcelain: Pu'er tea; Purple-clay teapot; watches; and many others.

4.4 Alternative Investments III: Virtual Assets

4.4.1 General Theory

➤ *Dual-value Theory*

➤ *Readings*

“Bifurcation and the fundamental value of cryptocurrency---an art value perspective”, (L. Ju, J. Li and Z. Tu), SSRN, May, 2024

4.4.2 Cryptocurrency

➤ *Theory*

Consensus formation

➤ *Readings*

“Capital Flight and Bitcoin Regulation,” (L. Ju, J. Lu and Z. Tu), *International Review of Finance*, 2016 Vol 16, No.3, 445-455.

“Effect of Bifurcation on the Interaction between Bitcoin and Litecoin,” (Z. Tu and C. Xue), *Finance Research Letters*, 2019 Vol.31(C), December.

4.4.3 NFT

➤ *Theory*

Network

➤ *Readings*

“Is non-fungible token pricing driven by cryptocurrencies?” (M. Dowling), *Finance Research Letters*, 2021

“Fertile land: Pricing non-fungible tokens”, (M. Dowling), *Finance Research Letters*, Vol.44, 2022.