



北京大學
汇丰商学院

Peking University HSBC Business School

Fin521 Investment Module 3, 2018

Course Information

Instructor:

Office: PHBS Building, Room

Phone: 86-755-2603-

Email: wei_xu@phbs.pku.edu.cn

Office Hour: Wed. 11am-1pm

Teaching Assistant:

Phone:

Email:

Classes:

Lectures: Day, Time

Venue: PHBS Building, Room

Course Website:

Investment (Spring_2018) (<http://cms.phbs.pku.edu.cn/index.php>)

Please make sure to enrol to the website online ASAP in order to access to course materials. Lecture notes will be posted the night before the class. You are supposed to download and bring your own copy. Enrolment key: Spring_2018

1. Course Description

1.1 Context

Course overview: This course offers the financial theory and quantitative tools necessary for understanding how stock, bond prices are determined, and how financial assets are used for investment decisions. Topics covered include modeling the relation between risk and return, optimal portfolio selection based on mean–variance analysis, asset pricing models, money management, and more. The focus is mainly on common stocks, but fixed income securities (bonds) are also analysed.

Prerequisites: Financial Market (F540) or equivalent

1.2 Textbooks and Reading Materials

1. Bodie, Zvi, Alex Kane, and Alan Marcus, Investments, McGraw Hill, 9th Edition, ISBN: 0073530700, 2010 (BKM).
2. 量化投资 – 策略与技术, 丁鹏, 电子工业出版社, ISBN: 978-7-121-16536-8, 2012

Statistical arbitrage: algorithmic trading insights and techniques, Andrew Pole, John Wiley & Sons, ISBN 978-0-470-13844-1, 2007

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
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.	NA
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

2.3 Assessment/Grading Details

30 points: Class project

~Presentation 10 points

~ Reports 20 points

50 points: Final exam

10 points: Case (homework)

10 points: Class participation

There will be no opportunities for extra credit. Class participating count is done by random

calls in class, each time of missing the call costs 5 participating points. Personal reasons, other school business, or family emergency will not be considered as excuses for missing class. For illness, you need to provide doctor's prescription. There is little that can be done after an unsatisfactory grade has been assigned.

2.4 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*.

3. Topics, Teaching and Assessment Schedule

Week1: CAMP

Week2: CAMP, APT (homework 9.4, 9.5, 9.21, 9.23 CFA problem 9.11, 9.12 (optional) due on Thursday 12pm of week 2)

Week3: APT (Beta Management case due on Thursday 12pm of Week 3, reading assignment book: **Statistical arbitrage: algorithmic trading insights and techniques**)

Week4: Equity valuation (RadioOne case)

Week5: The RadioOne case (case due on Monday 12PM of week 5)

Week6: Bond valuation

Week7: Bond valuation (continue) and class presentation

Week8: Portfolio performance evaluation and class presentation

Week9: Class presentation

Note the time of the presentation of class project is attentive; I might change the schedule time depending on the class size

4. Miscellaneous

Project:

The main goals of my class is to promote self-learning, problem solving and team work. These are vital skills for your future success. To achieve these goals, I will assign team of 4-6 students to prepare a class project on a pre-specified topic.

Nature of the project

Teams will be assigned to replicate and extend one trading strategy from the text book: 量化投资 – 策略与技术. In this book, all quantitative trading strategies are tested on the Chinese stock market.

Chinese students will be mixed with non-Chinese students in a team. Since the book is in Chinese the content must be discussed and explained in English by the group members before the projects starts. Note if you are not comfortable of learning from a Chinese trading book, or from your group mates or testing Chinese stock market data, you might consider taking other sections of the Investment course as my course has a specific tile toward Chinese stock market.

You are expected to do independent research on the topic from various sources such as library publications, internet, and collect data if necessary. Your final project includes a final report (in word document), and a power point presentation which should be turned in electronically on or before the last day of week 9.

Team management

Teams will be assigned on a random basis to mix students with different gender, school and undergraduate major. Working with team is essential. Once the team is assigned, there should be no change in the team member. Each team should figure out a way to manage to the best effect. I will not interfere with work load assignment or how you interact with other. However, free-riding is not allowed. This means that you have to reach an agreement beforehand regarding how to work on the project. For any member who does not do his/her part, you should make sure to report to me, this member will not get the score for the group project which means he/she will fail this class.