



北京理工大学国际特色课程

Beijing Institute of Technology Global Courses

## **FIN9230 - APPLIED INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT**

### *Syllabus*

**July. 1 - July. 19, 2024**

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Term Duration: July. 1 - July. 19, 2024

Credit Points: 4

Level: Postgraduate

Instructor Name: TBA

Home Institution: Beijing Institute of Technology

Lecture Hour: 15:40-18:40

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### ***Course Description***

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This course examines the intricate details of portfolio management through the lens of modern and post-modern portfolio theories. It starts with a grounding in investment principles, risk, return, and the empirical evidence shaping historical financial perspectives. Students will navigate through advanced concepts of capital allocation and diversification, index models, and the pivotal mean-variance portfolio theory. Delving into the Capital Asset Pricing Model, multifactor risk models, and the elegant Black-Litterman model, the course offers a dynamic blend of theory and practice. It culminates in understanding the efficient markets, behavioral finance, and the nuances of active portfolio management. This curriculum not only aims to impart theoretical knowledge but also to hone the analytical skills necessary for forecasting and evaluating portfolio performance in a constantly evolving financial landscape.

## ***Course Aims:***

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Upon successful completion of this course, students should be able to:

1. develop a conceptual and theoretical background in the field of investments analysis and portfolio management;
2. understand investment fundamentals, including historical perspectives on risk and return;
3. utilize index models for portfolio analysis and management;
4. analyze and apply the Capital Asset Pricing Model (CAPM) to investment decisions;
5. implement the investment strategy practically and analyze contemporary and emerging issues in investment management critically;
6. construct and manage a portfolio and learn to create an investment policy statement;
7. understand modern portfolio theory and how rational investors use diversification to optimize their portfolios;
8. develop competencies in selecting portfolios and forecasting their performance;
9. employ theoretical constructs in the analysis of practical corporate scenarios, leveraging commonly employed industry databases and software tools.

## ***Language of Instruction***

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English

## ***Required Textbook***

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### ***Investment, 11th Edition***

**Author:** Z. Bodie, A. Kane, and A. Marcus

**Publisher:** McGraw-Hill Education

**ISBN:** 9780077861674

### ***Investment Analysis and Portfolio Management, 1st Edition***

**Author:** M. Ranganatham, R. Madhumathi

**Publisher:** Pearson

**ISBN:** 9788177582291

### ***Modern Portfolio Theory and Investment Analysis, 9th Edition***

**Author:** Edwin J. Elton, Martin J. Gruber, Stephen J. Brown

**Publisher:** Wiley

**ISBN:** 9781118469941

Other materials provided by the course lecturer.

## ***Course Hours***

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This course requires 48 hours of contact including 42 hours of lectures and one 6-hour field trip. Lectures are from Monday to Friday.

## ***Prerequisite Course***

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Students are expected to have taken **Principles of Finance**, or have solid knowledge of all topics covered in the course mentioned above.

## ***Course Schedule***

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Week	Day	Lecture	Topic	Assignment/ Notes
Week 1	Day 1	Lecture 1	Introduction to Investment Risk, Return, and the Historical Record;	Z. Bodie (Chapter 1,5)
	Day 2	Lecture 2	Capital Allocation to Risky Assets; Efficient Diversification	Z. Bodie (Chapter 6-7)
	Day 3	Lecture 3	Index Models	Z. Bodie (Chapter 8)
	Day 4	Lecture 4	Mean Variance Portfolio Theory	Edwin J. Elton (Chapter 4-6)
	Day 5	Lecture 5	The Capital Asset Pricing Model	Z. Bodie (Chapter 9)
Week 2	Day 6	Lecture 6	Nonstandard Forms of Capital Asset Pricing Models: Multiperiod CAPM; The Multi-beta CAPM	Edwin J. Elton (Chapter 14)
	Day 7	Lecture 7	Arbitrage Pricing Theory and Multifactor Models of Risk and Return	Z. Bodie (Chapter 10)
	Day 8	Lecture 8	Efficient Markets; The Efficient Market Hypothesis; The Valuation Process	Z. Bodie (Chapter 11); Edwin J. Elton (Chapter 17-18)
	Day 9	Lecture 9	Behavioral Finance and Technical Analysis; Empirical Evidence on Security Returns	Z. Bodie (Chapter 12-13)
	Day 10	Industrial Visit		

Week 3	Day 11	Lecture 10	The Theory of Active Portfolio Management: The Black-Litterman Model	Z. Bodie (Chapter 27)
	Day 12	Lecture 11	Portfolio Selection Forecasting Portfolio Performance	M. Ranganatham (Chapter 15-17)
	Day 13	Lecture 12	Portfolio Performance Evaluation; International Diversification; Portfolio Management Revisited	Z. Bodie (Chapter 24-25); Edwin J. Elton (Chapter 28)
	Day 14	Guided Revision		
	Day 15	Final Exam		

**Note:** Students will be notified if the schedule of the field trip changes according to the situation.

## ***Grading Policy***

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Method	Percentage
Participation	10%
Mid-Semester Test	20%
Group Project	30%
Final Exam	40%
Total	100%

**Participation:** Students are expected to attend all course sessions punctually. Absences will impact the attendance grade. We will have some case studies, topic discussion and group discussion in class and the performance will be considered as partial attendance points or bonus.

**Mid-Semester Test:** The test will span a duration of 2 hours and will assess students on the material covered in the first half of the course. Students are expected to demonstrate their knowledge and analytical skills through this examination.

**Group Project:** Each group is required to write a report (minimum 3000 words), present it, and submit both the report and presentation slides after the presentation.

**Final Exam:** The final exam will be a comprehensive assessment encompassing all course content. This exam will have a duration of 3 hours, and students will be evaluated on their understanding and application of the material covered throughout the course.

## *Academic Honesty*

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Academic honesty is not only a fundamental part of learning and teaching, but also a core value that this course embraces. Behaviors of academic dishonesty, as outlined hereinafter, are unacceptable and will be penalized:

- a) Plagiarism where students present work for assessment, publication or otherwise that is not their own, without appropriate attribution or reference to the original source. Plagiarism can include:
  - i) paraphrasing or copying published and unpublished work without a reference;
  - ii) adopting the ideas or concepts of others, including the structure of an existing analysis without due acknowledgement by way of reference to the original work or source.
- b) Collusion, where students present work as independent work when it has in fact been produced in whole or in part with others unless prior permission for joint or collaborative work has been given by the Course Coordinator. Collusion can include:
  - i) a student inappropriately assisting with or accepting assistance with the production of an assessment task;
  - ii) submitting work which is the same or substantially similar as another student's work for the same assessment task.
- c) Cheating, where a student acts in such a way as to seek to gain unfair advantage or assist another student to do so. Cheating can include:
  - i) submitting falsified, copied or improperly obtained data relating to results of practicum, field trips or other work as if they were genuine; submitting an assessment task with the intention of deceiving or misleading the instructor about the student's contribution to the work;
  - ii) submitting an assessment task written or answered for the student by another person or which the student has copied from another person;
  - iii) submitting the same or a substantially similar piece of work for assessment in two different courses (except in accordance with approved study and assessment schemes);
  - iv) a student falsely indicating that they have been present at an activity where attendance is required;
  - v) completing an assessment task outside the conditions specified for that task.
- d) Cheating in Examinations means engaging in dishonest practice or breaching the rules regarding examinations, which can include:
  - i) communicating in any way during an examination with any person who is not an examination supervisor inside or outside the examination venue;
  - ii) giving or accepting assistance from any person who is not an examination supervisor whilst in the examination venue;
  - iii) reading, copying from or otherwise using another student's work in an examination or knowingly allowing a student to do so;
  - iv) possessing, referring to or having access to any material or device containing information directly or indirectly related to the subject matter under examination, other than that explicitly approved by the Course Coordinator;
  - v) acquiring, or attempting to acquire, possess or distribute examination materials or information without approval;
  - vi) permitting another person to attend an examination on a student's behalf or attending an examination on behalf of another student;
- e) Other dishonest acts including but not limited to:

- i) altering or falsifying any document or record for the purposes of gaining academic advantage;
- ii) offering or giving money or any item or service to a University staff member or any other person to gain academic advantage for the student or another person;
- iii) inventing references.