**UNIVERSITY OF NORTHERN BRITISH COLUMBIA**

**BUSINESS PROGRAM**

**COMM 421**

**Portfolio Theory and Management**

**(Investment II)**

**Winter 2018**

Professor: Jing Chen                                       Telephone:              960-6480

Office:               10-4534, T&L                                 Class Time:            TR 2:30- 3:50

Office Hours:     R 1:30-2:20                                Class Location:       10-4520

                         (or by appoint.)                                Email:                 chenj@unbc.ca

Web site            <http://web.unbc.ca/~chenj/course/syllabus421.htm>

**COURSE OBJECTIVES**

Fundamentals of investment theory

PREREQUISITES: COMM 320, COMM 321.

**REQUIRED TEXTBOOKS**

Investments, eighth canadian edition**,** [Zvi Bodie](https://www.amazon.ca/s/ref%3Ddp_byline_sr_book_1?ie=UTF8&field-author=Zvi+Bodie&search-alias=books-ca), [Alex Kane](https://www.amazon.ca/s/ref%3Ddp_byline_sr_book_2?ie=UTF8&field-author=Alex+Kane&search-alias=books-ca), [Alan Marcus](https://www.amazon.ca/s/ref%3Ddp_byline_sr_book_3?ie=UTF8&field-author=Alan+Marcus&search-alias=books-ca), [Stylianos Perrakis](https://www.amazon.ca/s/ref%3Ddp_byline_sr_book_4?ie=UTF8&field-author=Stylianos+Perrakis&search-alias=books-ca), Peter Ryan, McGraw-Hill Ryerson. 2015

Additional handouts will be distributed in classes

**COURSE EVALUATION**

Mid-terms                                          25%

Final Exam                                         40%

Project                                                25%

Class Participation                              10%

            Total                                                100%

Each group of three will presenta forty minute long report on an investment topic of your choice at the end of the term. A written report should be submitted.

The**examinations** will cover all contents discussed in the course, including contents from student presentations. The style of the questions in the exams will be similar to those in the homework and the review.

**Class** **participation** will be mainly based upon the number of times you come up to present your homework solutions. Attendance will not be taken until the group presentation time at the end of the term.

Tentative course outline:

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| --- | --- | --- | --- |
| **Week** | **Dates** | **Topic** | **Chapters** |
| 1 | Jan 4 | [Review](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CAsset%20allocations.pptx) and Preview | [Homework](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CHomeworkReview.docx) |
| 2 | Jan 9, 11 | [Review](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CReviewEarlyTheory.docx) and Preview |  |
| 3 | Jan 16, 18 | [Options and other Derivatives Market](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CBodie8Ce_Ch18.ppt) |  18   |
| 4 | Jan 23, 25  | [Option Valuations](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CBodie8Ce_Ch19.ppt)  |  19[Option calculation Excel sheet](http://web.unbc.ca/~chenj/course/option), [Probability Distribution Table](http://web.unbc.ca/~chenj/course/423/ProbabilityTable.doc),  |
| 5 | Jan 30,Feb 1 | [Option theory applied to understand asset valuation](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C423%5Cslides%5Ccorporate%20liabilities.pptx)  | [Homework solutions](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C423%5CHomework%5Ccorporate%20liabilities.xlsx) |
| 6 | Feb 6, 8 | [Futures, Forwards and Swap Markets](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CBodie8Ce_Ch20.ppt) | 20 |
| 7 | Feb 20, 22 | Review and Midterm   |  |
| 8 | Feb 27, Mar 1 | [Equity Evaluation Models](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CBodie8Ce_Ch16.ppt) | 16 |
| 9 | Mar 6, 8 | Equity Evaluation Models | 16 |
| 10 | Mar 13, 15 | [Theory of investment](file:///%5C%5Cpg-uni-fs-02.unbc.ca%5Cchenj%5Cpublic_html%5Ccourse%5C421%5Cnotes%5CLongtermReturn.pptx) | [Homework](http://web.unbc.ca/~chenj/course/ExInvestment.doc) [Solution](http://web.unbc.ca/~chenj/course/ExInvestment.xls) |
|  |  | [Theory of information](http://web.unbc.ca/~chenj/papers/EcoMind.doc) | [Homework](http://web.unbc.ca/~chenj/course/ExInformation.doc) [Solution](http://web.unbc.ca/~chenj/course/ExInformation.xls) |
| 11 | Mar 20 | Theory of learning | [Homework](http://web.unbc.ca/~chenj/course/ExLearning.doc) [Solution](http://web.unbc.ca/~chenj/course/ExLearning.xls) |
|  |  | Theory of judgment | [Homework](http://web.unbc.ca/~chenj/course/ExJudgment.doc) [Solution](http://web.unbc.ca/~chenj/course/ExJudgment.xls) |
|  | Mar 22 | Project presentation  |  |
| 12 | Mar 27, 29 | Project presentation |   |
| 13 | Apr 3, 5 | Review  |  |
|  |  | Final exam  |   |
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Please note that the above course outline is tentative. Although the major topic areas will be covered, the detail and extent of coverage will depend on student interest and the pace at which the class progresses.