

**NATIONAL UNIVERSITY OF SINGAPORE  
NUS BUSINESS SCHOOL**

BBA Program  
Semester 1, AY 2014-2015

**FIN3102: INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT**

Section A1, Tuesday, 8:00-11:00, SR@LT19  
Section A2, Tuesday, 14:00-17:00, SR@LT19  
Section A3, Wednesday, 11:00-14:00, CEM-0304

**1. Contact Information:**

- Instructor: Luis Goncalves-Pinto
- Office: BIZ1 / 7-43 (7th floor of Mochtar Riady Building)
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- Phone: (65) 65164620
- Office Hours: Fridays, 14:00-16:00

**2. Course Objectives:**

The objective of this course is to develop key concepts in investment theory from the perspective of a portfolio manager, and to apply such concepts using real financial data. Topics to be covered include portfolio optimization and asset pricing theories, as well as their applications to problems in modern financial practice. This course also explores the application of various financial instruments in investment management and introduces the basic techniques of portfolio performance evaluation.

The course material is biased toward equity markets since there are separate courses that cover fixed income and derivatives markets.

**3. Prerequisites and Expectations:**

- Finance: You must have a basic understanding of the fundamental concepts in finance: the time-value of money; the relation between risk and return; the basic features and valuation of stocks and bonds. These topics are covered in **FIN 2004** (a prerequisite course). I expect you to review the material from FIN 2004 as necessary.

- Math and Statistics: The study of investments is inherently quantitative. Knowledge of **basic statistics** (mean, covariance, multiple regression, etc.) is indispensable and used repeatedly throughout the semester. Such material is covered in **BZ1008/ST1131A**. I expect you to spend the time necessary to refresh your statistics knowledge. In addition, you should be very comfortable with **basic algebra and calculus**.

- Computers/Software/ Calculators: Many of the examples in lectures and problem sets require Microsoft **Excel** (or a similar product). You will need access to a computer and familiarity with Excel. I will assume that you know how to use spreadsheets to perform some basic analysis. Students are also expected to bring a **financial calculator** to every class section and to all examinations.

#### 4. Grading Criteria, Exams and Course Policy:

Your overall course score will be calculated using the following scheme:

Test 1	30%
Test 2	25%
Assignments	30%
Class Participation	10%
CFA Ethics Test	5%

Test Dates:

Test 1:	Saturday, 04 October 2014 (10am-12pm, Room TBA)
Test 2:	Saturday, 08 November 2014 (10am-12pm, Room TBA)
CFA Ethics Test:	TBA by Prof. Lee Hon Sing

- This course will function on a **continuous assessment** mode.

- **Case Studies and Stock Trading Simulation:** You will form a group of 4-6 students, and will submit to me by Week 2 a form with the name of your group, and the names, matric numbers, photos, and other information pertaining to each of the group members (a template of the group form will be posted on IVLE under “Assignments”). If you are not assigned to any team by Week 2, please get in touch with me and I will assign you to one of the already formed groups. The groups will be responsible for the presentation or the discussion/critique of a case study, as well as the presentation of the Stock Trading Simulation project. The assignment of groups to case studies will be done using a random selector in class on Week 3. These case studies **can be covered in the examinations**. The **Stock Trading Simulation Project** consists in the use of an online trading platform where you will ‘paper trade’ on a number of exchanges using a variety of instruments. You are expected to set out targets for the construction of your portfolio, and interpret and evaluate the investment results in the context of the material covered in class during the semester.

- **Tests: Tests are closed book.** You will be provided with a **formula sheet for the examinations**. You will need a calculator that can raise numbers to arbitrary powers. Laptop computers and calculators with word processing features are not permitted. **There will be no make-up tests.** By enrolling in this course you are committing to take the tests on the scheduled dates. Throughout the semester, I will be posting **practice problems** on IVLE, which you should use when preparing for the examinations. Information on the **CFA Ethics Test** will be sent to you by Prof. Lee Hon Sing. The CFA Ethics Test counts as 5% of your final grade. Prof. Yeo Wee Yong, or someone assigned by him, will be responding to all your questions regarding this CFA Test. We will not be covering CFA Ethics in class.

#### 5. Textbook and Readings:

- Required Readings

. **Bodie, Kane, Marcus, and Jain, *Investments*, Asia Global Edition (2013), McGraw-Hill** (referred to as **BKMJ** hereafter)

. **Assigned Readings**

. **Lecture Notes**

- Suggested: Regular reading of *The Wall Street Journal* (or *The Financial Times*).

Lecture Notes, articles and practice problems will *not* be handed out in class. They will be available on IVLE as PDF documents (<https://ivle.nus.edu.sg>). You are responsible for timely downloads of the materials. It is always beneficial to do the required reading before class. Also, lecture notes are not a complete record of what I say in class, so attending lectures, taking notes and asking questions will be required to successfully complete the course.