University of Delaware – Alfred Lerner College of Business and Economics

FINANCE 852 INVESTMENTS
SYLLABUS

Professor

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Course Description:

The main objective of this course is to learn the principles of rational asset valuation, which provide foundations for the economic analysis of investment decisions and financial markets. The course has six parts, with the emphasis on Part II and III.

- Part I: Essentials of Investments
- Part II: Modern Portfolio Theory and Practice
- Part III: Equilibrium Asset Pricing
- Part IV: Bond Valuation
- Part V: Security Valuation
- Part VI: Options, Future and other Derivatives.

This course shall provide you the necessary foundation to enter the investment industry or related fields.

Prerequisite

This is a quantitative course even though it does not focus on mathematical derivations or complicated statistical analysis. Students taking this course are expected to be familiar with basic mathematics, basic statistics, basic accounting, and economics. Here is a non-exclusive list of basic statistical concepts: random variable, mean, variance, covariance, and linear regressions.

Required Material:


Recommended Material:

- A subscription to The Wall Street Journal (comes with free access to WSJ-online)

Course Grades
The course grade will be based on the following four components:
- Quizzes (10% total)
- Two Non-cumulative Exams: 60% (Exam 1: 30%; Exam 3: 30%)
- Portfolio and Security Analysis Projects: 30%
  - Project 1: StockTrak Trading Simulation (10%)  
  - Project 2: Portfolio Construction (10%)  
  - Project 3: Security Valuation (10%)
- Extra credit: NO. There is no exception for this policy.