



SUNY KOREA

BUS355 INVESTMENT ANALYSIS Fall 2020

1. GENERAL INFORMATION

Course Instructor	
Name:	Prof. Seth H. Huang
Email:	seth.huang@sunykorea.ac.kr
Office Hours:	TBD
Course Details	
Class Dates:	Tue, Thu 3:30-4:50pm
Class Venue:	ONLINE
Course Add/drop Deadline:	Refer to general guideline

2. COURSE DESCRIPTION

The course lays the foundation in finance theories. It teaches how to best allocate the capital given the investor's preferences such as return, risk and its preferences. The course provides a framework for analyzing equity, fixed income and derivatives in isolation as well as in a portfolio context. Its models underpin many portfolio constructions in today's world that are widely used.

For the purpose of this course, the understanding of the real financial market is even more relevant than the theory itself. To this end you will construct your own portfolio, optimize the weights and evaluate the performance. That will naturally lead to the understanding of why the multi-factor investing is gaining acceptance in the industry. We will routinely look at the market news and interpret them. A wide range of articles, investment banking products and case studies will help foster the link between practice and theory.

3. COURSE OBJECTIVES

The objective of the course is to familiarize the students with asset allocation processes as well as the various theoretical or market methodologies. Based on a given investor risk preference, objective and constraints, the student will be able to construct passive, active or hybrid portfolios (smart beta portfolios). Performance and evaluation measures will provide the platform for cross portfolio comparison as well as dynamic management. At the end of the course you will be familiar with cutting edge information of what industry uses, how is being used, what not to use and where to look for alternatives.

4. COURSE LEARNING OUTCOMES (CLO)

- CLO1. Understand "Modern Portfolio Theory" and its criticism
- CLO2. Optimize the Asset Allocation in a portfolio
- CLO3. What is Multi-Factor based Investing or Smart Beta Investing?
- CLO4. Factor the intangibles, such as: Environmental, Social or Governance dimensions into the asset price
- CLO5. Evaluating Performance evaluation and performance attribution

5. COURSE TEACHING AND LEARNING ACTIVITIES

Course Teaching and Learning Activities	No. of Hours	Study Load (% of study)
1. Lecture	2.5hrs	~50%
2. In-class Demonstration	1hrs	~17%
3. Private study	1 hrs	~17%
4. Project work (7-10hrs max)	1hrs	~17%
5. Presentation work (only once)	0.5hrs	~9%



Total	6 hrs	100%
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The course is technical and the pace is fast. The students are expected to work on the course materials and projects outside the class hours. You should also read on a daily basis market news from Reuters, Bloomberg, FT, Economist etc.

6. Assessment Methods

Assessment Methods (e.g homework assignment, exam, quiz, class participation etc)	Brief Description (Optional)	Weight (% of total)
1. Class attendance	Individual	10%
2. Class exercise and participation	Individual	10%
3. Quizzes	Individual	10%
4. Midterm	Individual	25%
5. Class Project/ Presentation	Group/ individual	15%
6. Final Exam	Individual	30%
		100%

Class Participation. Your class participation marks will be mainly based on how active you are in the class. Your questions and answers will influence your marks and course grade.

Project/ Presentations. Your group will make a 15min presentation on one of the suggested topics. The presentation will be evaluated along several criteria. This is an open-end presentation and it is up to the group on where best to get and how to present the information. To reinforce the theory you will be ask to create a portfolio of various assets. The asset allocation process will be based on the various methodologies and market practices. More information will be given in due course. Note: The project is different from the presentation.



7. STANDARDS FOR ASSESSMENT

Course Grade Descriptors	
A+, A, A- B+, B, B-, C+, C F	Excellent Performance Good Performance Marginal Performance Failure (The lowest passing grade is C.)
Assessment Rubrics For Each Assessment	
<ol style="list-style-type: none"> 1. Class participation: Full mark will be given to the students that actively participate in class discussions. 2. Quizzes: Full mark for correct answers. Quizzes will be posted on canvas. 3. Short Presentations: Full points will be given for good coverage of each of the following elements: <ul style="list-style-type: none"> · Clarity of speech & content · Organization of presentations · Balance of presentation and time management · Conclusions & Implications · Q&A Anticipation & Preparation 4. Project: Evaluation rubric for the group project <ul style="list-style-type: none"> · Clarity of speech & content · Organization of presentations · Balance of presentation and time management · Conclusions & Implications · Q&A Anticipation & Preparation 5. Final Exam: Maximum points will be given for correct answer and right logic. 	

8. COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Week/Session	Course Content / Topics
1	Investments: Background and Issues
2	Asset Classes and Financial Instruments
3	Security Markets
4	Mutual Funds and Other Investment Companies
5	Risk, Return and the Historical Record
6	Efficient Diversification
7	Midterm (may be adjusted)
8	CAPM and APT
9	The Efficient Market Hypothesis
10	Presentations
11	Behavioral Finance and Technical Analysis
12	Final Exam

9. TEACHING MATERIALS (e.g. journals, textbooks, website addresses etc.)

Materials: Lecture notes and textbook

Materials: Essentials of Investments
 11th Edition
 By Zvi Bodie and Alex Kane and Alan Marcus

Secondary

Such as case studies as well as investment products from asset management industry will be discussed during the course. Occasionally, articles from FT and Economist might be distributed as to better relate theory to practice. As the book unilaterally focuses only at US domestic investment environment, the additional material will shift this focus to a more global context, Asia as a region or HK in particular.

We will start the day by discussing market events as well as with a group short presentation on a chosen topic. Videos and realistic case studies will be extensively used in the classroom.

All relevant material will be posted in Canvas. Lecture slides will be provided as hardcopy the day of the lecture.



10. COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)

- Make sure you attend all classes
- No mobile phones or browsing unrelated websites
- No late arrivals in the class
- Plagiarism will be punished according to the school's policy