



ISS 3291

Investments

Prof. Jong-Bom Chay, SKKU

SHORT COURSE DESCRIPTION

This course is an introductory investment course that focuses on practical applications of modern portfolio theories. Students who want to start a career as investment professionals or who want to improve their decision-making as individual investors will find this course very useful. The course provides basic knowledge about financial markets, valuation of stocks and bonds, and portfolio management. We will explore modern portfolio theories, empirical behavior of security prices, market efficiency, stock and bond portfolio management, derivative securities, and performance evaluation. We will also try mock trading of ETFs to get the feel for actual investments in the real world.

Instructor: Prof. Jong-Bom Chay, Ph.D., CFA
Class Time: 12:30-15:00
Classroom: TBA [International Hall]
E-mail: jbchay@skku.edu

READING MATERIALS

1. Required Textbook: Bodie, Kane, and Marcus, *Essentials of Investments 12th Edition* (2022), McGraw-Hill.
2. Lecture notes in PDF format will be available on *i-Campus*.

COURSE REQUIREMENTS AND GRADING

This course's final grade will be either a 'pass' or 'fail' based on the student academic achievement evaluated by grades on a scale of 100 points (grade of 60 or above is Pass). **SKKU regulations require students to attend at least 80% of all classes.** Students are expected to familiarize themselves with SKKU policies about plagiarism and academic dishonesty.

You will be graded on the following:

- (a) Exams: There will be **two exams** to be finished within **2.5 hours**.
- (b) Homework assignment: This will be evaluated based on your attempt at the assigned homework. Although your written assignments will not be graded, your submission record will account for 20% of the grade.

Assessment:

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| (a) Attendance and class participation: | 20% |
| (b) Homework assignment submitted: | 20% |
| (c) Exam 1 (Open-book, 2.5-hour limit): | 30% |
| (d) Exam 2 (Open-book, 2.5-hour limit): | 30% |

Homework assignments:

Problem sets will be assigned throughout the class and will be drawn from the end-of-the-chapter problems in the main textbook. As the exam questions will closely resemble these assignments, completing the problem sets will be a highly beneficial and rewarding part of your learning experience. We will also try some mock trading sessions of ETFs for a short period as a group assignment.

Classroom Policies

I expect you to attend all classes and to participate actively in class discussion so that you get the most learning out of this course.

I will make all class-related announcements in class. This includes class cancellations, changes in assignments, exam dates, changes in topics, policies, etc. It is your responsibility to find out what you missed if you miss a class.

Principle on Academic Integrity

Plagiarism, cheating, and other incidents of academic dishonesty will result in an automatic failing grade for the course.

COURSE SCHEDULE

– WEEK I –

Monday (29 June)

Asset classes and financial instruments (Ch. 2)

Tuesday (30 June)

Securities markets (Ch. 3)

Wednesday (1 July)

Mutual funds and other investment companies (Ch. 4)

Thursday (2 July)

Risk, return, and the historical record (Ch. 5)

– WEEK II –

Monday (6 July)

Efficient diversification (Ch. 6)
Mock trading of ETFs: Session 1

Tuesday (7 July)

Capital asset pricing model (Ch. 7)

Wednesday (8 July)

The efficient market hypothesis (Ch. 8)

Thursday (9 July)

Exam 1

– WEEK III –

Monday (13 July)

Bond price and yields (Ch. 10)
Mock trading of ETFs: Session 2

Tuesday (14 July)

Managing bond portfolios (Ch. 11)

Wednesday (15 July)

Equity valuation (Ch. 13)

Thursday (16 July)

Financial statement analysis (Ch. 14)

– WEEK IV –

Monday (20 July)

Mock trading of ETFs: Session 3
Evaluating investment performance (Ch. 18)

Tuesday (21 July)

Evaluating investment performance of ETF trades
Review

Wednesday (22 July)

Exam 2