



ASSUMPTION UNIVERSITY
MARTIN de TOURS SCHOOL OF MANAGEMENT AND ECONOMICS
DEPARTMENT OF FINANCE
COURSE SYLLABUS
SEMESTER 1/2017

COURSE TITLE

FIN3711 : **Investment**
Pre-requisite(s) : FIN3701 Corporate Finance

COURSE INFORMATION

Lecturer(s) : Name: A. Vorapitchaya Rabiablok
Email: vorapitchaya@hotmail.com
Office Hours: By Appointment
Course Materials : <http://www.aufinance.net>

ASSUMPTION UNIVERSITY: UNIQUENESS

Martin de Tours School of Management and Economics also adopts the uniqueness characteristics of the University as **“An International Catholic University”**

ASSUMPTION UNIVERSITY: IDENTITY

Martin de Tours School of Management and Economics also adopts the identity of the University. Identity of Assumption University Students: **Ethics, English Proficiency and Entrepreneurial Spirit.**

MARTIN de TOURS SCHOOL OF MANAGEMENT AND ECONOMICS' VISION

To be distinguished business school **with an international learning environment producing quality graduates**

MARTIN de TOURS SCHOOL OF MANAGEMENT AND ECONOMICS' MISSION

Educating graduates with entrepreneurial spirit, global competency, and social responsibility.

- By nurturing business knowledge and skills to develop creative business solutions;
- By developing business communication skills and appreciation of diversity;
- By fostering ethical awareness to act in the benefit of the society at large

COURSE DESCRIPTION

Fundamental knowledge of investment: definitions, theories, implementations, and decision making in the financial markets including philosophical basis of investment principles, risk and expected return relationship, company and securities analysis, valuation frameworks and methodologies, portfolio management theory, portfolio management and analysis, capital market theory, capital market efficiency, fixed income valuation, and introduction to derivative securities.

COURSE OBJECTIVES

Upon completing the course, the students are able to:

- Achieve a general understanding of the investment process,
- Be familiar with financial markets and the players in the markets,
- Be familiar with goals, practices and problems of investing institutions and individuals,
- Understand and be able to distinguish each level of market efficiency,
- Be able to apply modern techniques to asset allocation and portfolio management,
- Be able to apply valuation techniques to security selection and in making investment recommendations.

AOL Learning Goal and Objective

LG1: Business Knowledge: Students possess knowledge of core business principles and practices.

LO 1.1: Students are able to exhibit thorough understanding of core business theories and principles;

LO 1.2: Students are able to exhibit thorough understanding of business knowledge in their specialized fields;

LO 1.3: Students are able to apply core and specialized business theories and principles to current business Practices.

LG2: Entrepreneurial Spirit: Students exhibit entrepreneurial spirits and make creative business solutions.

✓ LO 2.1: Students are able to identify new business opportunities;

LO 2.2: Students are able to create new solutions for existing business problems;

LO 2.3: Students are able to demonstrate initiative and creative thinking in business decision-making;

✓ LO 2.4: Students are able to exhibit abilities to assess the potential risks in business and create contingency plans.

LG3: Communication Skills: Students are able to communicate effectively in various business settings.

✓ LO 3.1: Students are able to demonstrate abilities to make professional presentations in English;

✓ LO 3.2: Students are able to demonstrate abilities to prepare professional written reports in English;

✓ LO 3.3: Students are able to demonstrate abilities to use communication technologies effectively.

LG4: Interpersonal Skills: Students are able to work in teams of diverse cultures.

LO 4.1: Students are able to demonstrate awareness of cultural differences in a multicultural environment;

✓ LO 4.2: Students are able to demonstrate abilities to negotiate and cooperate in teams with diverse culture.

LG5: Analytical Skills: Students possess analytical skills in dealing with business issues and problems.

✓ LO 5.1: Students are able to analyze business issues/problems by applying appropriate quantitative and qualitative tools and techniques;

✓ LO 5.2: Students are able to integrate results from quantitative and qualitative analysis into decision-making and draw conclusions.

LG6: Social Responsibilities:

LO 6.1: Students are able to demonstrate understanding of social responsibility issues face by the business organizations;

LO 6.2: Students are able to make ethical and socially responsible decision under different circumstances.

TEXT BOOKS AND RECOMMENDED READINGS

Scott B. Smart, Lawrence J. Gitman, and Michael D. Joehnk, Fundamentals of Investing, Pearson Education, 13th Edition, 2017. (as main textbook)

Solnik, Bruno H., and Dennis W. McLeavey, Global investments, Pearson Education, 6th Edition, 2015 (mostly on international perspectives)

REFERENCED TEXTS:

- Frank K. Reilly and Edgar A. Norton, Investments, Thomson South-Western, 7th Edition, 2006.
- William F. Sharpe, Gordon J. Alexander, and Jeffrey V. Bailey. Investments. Sixth Edition. Upper Saddle River, N.J.: Prentice Hall, 1999.
- Edwin J. Elton and Martin J. Gruber, Modern Portfolio Theory and Investment Analysis, John Wiley & Sons, 6th Edition, 2003.

MARKS ALLOCATION***

Project	:	15	%
Presentation	:	10	%
Participation	:	5	%
Midterm Examination	:	30	%
Final Examination	:	40	%
Total	:	100	%

*** SEE ALSO SPECIAL INSTRUCTIONS/NOTES

EXAMINATION SCHEDULES

	DATE	TIME	PLACE
Midterm Examination	October 5, 2017 (Thu.)	15:00-17:00	Suvarnabhumi
Final Examination	December 14, 2017 (Thu.)	13:00-16:00	Suvarnabhumi

Last day to withdraw: November 23, 2017 (Thu.)
(Withdrawing after this date, the students need a chairperson's approval.)

SPECIAL INSTRUCTIONS/NOTES

- ***** SEE ALSO CLASSROOM POLICIES.**
- Non-programmable calculators and financial calculators are allowed.
- Midterm and Final: All exams are conducted at the campus of your respective class.
- Students will not be eligible to enter the examination room, hence not eligible to take the examination after the first 10 minutes of the examination regardless of the students' reasons.

TENTATIVE CLASS SCHEDULE

Week	Chapter	Topic	Remarks
1	Ch1	Introduction and The Investment Environment	Include Term Project brief
2	Ch2	Securities Markets and Transactions	Chapter Case
3	Ch3	Investment Information and Securities Transactions	
4	Ch4	Return and Risk	Chapter Case
5	Ch5	Modern Portfolio Concepts (including International Diversification and International CAPM)	Extra handout to be provided for International Investing Topic
6	Ch6, Ch7A	Common Stocks and Analyzing Common Stocks	
7	Ch7B, Ch8	Stock Valuation Models	Chapter Case
8		Revision	
Midterm Examination			
9	Ch9	Market Efficiency and Behavioral Finance	
10	Ch10, Ch11	Fixed-Income Securities and Bond Valuation	
11	Ch13	Managing Your Own Portfolio	Article – “Oracle of Omaha” Chapter Case, CFA Questions
12	Ch14, Ch15	Derivatives	
13	Supplement	FOREX Risk Management	Extra handout to be provided for Currency Risk Management Topic
14		Presentation	
15		Presentation and Revision	
Final Examination			

CLASSROOM POLICIES

- **Students need to comply with AU Dress Code, Time Conflict Examination Regulations, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010.**
- **Attendance policies:**
 - 2 times of ten-minute late for class is considered as 1 absence.
 - Make-up classes are not allowed.
 - **80% attendance** is strictly required regardless of any reason.
 - No checking attendance for other classmates. Violation of the policies will result in being automatically withdrawn from the class.
 - Attendance is checked since the first day of class regardless of any reason. Thus, **students' excuses for absences including adding the subject late, medical reports, being away for work and travel programs, etc. will not be considered under any circumstances.**
- **Manner in class:**
 - Behave in a polite manner
 - Pay respect to instructors and class participants
 - Turn off all communication devices
 - Do not leave and re-enter the classroom
 - **Prohibited manners:** Eating, drinking, chatting, talking on the phone, using any kind of communication devices, text-messaging, sleeping, reading other materials, doing other subjects' assignments/homework, walking in-out, etc.
 - **Improper behavior will result in no attendance checked.**
- **Dress code:**
 - Follow AU dress code
 - Improper dress code will result in no attendance checked.
- **Class assignments (Homework, reports, project, presentation, paper, etc.):**
 - No Plagiarism.
 - **Cheating and/or plagiarism of any assignments and/or projects will not be tolerated. It will result in failure or "F" of the course and other disciplinary action.**
 - Submit all class assignment on time, both soft copy and hard copy, where applicable.
 - **Late submission will not be graded.**
- **Class participation:**
 - **Not the same as attendance**
 - Be participative and attentive in class
 - The students are also required to comply with all classroom policies.
 - Violation of the classroom policies will result in "zero" or "negative" participation marks and/or "no attendance" checked.
- **Request for make-up quizzes (if applicable):**
 - The students requesting for the make-up quizzes need to submit their names with valid evidence (ABAC related issues) to the respective lecturer within the specified dates.
 - Failure to do so, the students will NOT be allowed to take the make-up quizzes.
- **Grade inquiry:**
 - The students can request for a review for their marks or grades.
 - The students need to **submit petition** to the respective Chairperson at Martin de Tours School of Management and Economics **Office** at D Building, 6th floor, Huamak Campus or **MSM Building**, 2nd floor, Suvarnabhumi Campus within **ONE-MONTH period** after their marks or grades have been officially announced. Petition submitted after the specified period will **NOT be considered.**
 - **Reevaluation process:** The students' class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. Please note that the students' marks may or may not be adjusted after the reevaluation process and it can also be higher, lower, or unchanged. The result of the reevaluation is considered as a **"final consensus"** between the students and the committees.

ADDITIONAL INFORMATION

Term Project: (Tentative)

The students are required to apply both fundamental and technical analysis methods to analyze the assigned sector and stock. The term project covers 3 parts as follows:

Work # 1: Economic Outlook

1. Forecast GDP for year-ended 2017(Chapter 7)
2. Forecast of GDP's components
 - Consumption (C)
 - Investment (I)
 - Government Spending (G)
 - Net Export (X-M)
3. Forecast the inflation rate
4. Forecast the interest rate

Work # 2: Sector Analysis

1. Must use one analytical model (e.g. five competitive forces model, industry concentration, or HHI)
2. Compute and show Concentration Ratio and Herfindal Index
3. Provide the fact or support information to your analysis

Work # 3: Company Analysis, Stock Valuation, and Technical Analysis

1. Company Analysis
 - 1.1 Qualitative analysis on a company
 - SWOT Analysis
 - 1.2 Quantitative analysis on a company
 - Financial Statement Analysis (Chapter 7)
 - Use financial statements of year 2014, 2015, and 2016 to analyze the firm's performance.
2. Stock Valuation
 - Find required rate of return: CAPM (Chapter 5)
 - Use Discounted Cash Flows Method and Relative Valuations Technique to find intrinsic value of stock (Chapter 8)
 - Make recommendation
3. Technical Analysis
 - Use different technical techniques (Chapter 9) to analyze the assigned stock
 - Use intrinsic value together with technical analysis to make recommendation whether investors should buy or sell the stock

Note:

- Students need to prepare 25-30 minutes presentation, which will be presented during the last week of the semester before the final examination. Attendance for these two presentation classes are mandatory
- Any further information will be announced in classroom.

AU Dress Code Requirements

Following are the University's dress codes students are obligated to strictly observe upon entering campus, attending classes, and using the University's facilities on weekdays, except in sport arenas, AU mall and resident halls:

- ✓ Tuck the rim of their shirts or blouses in their trousers or skirts,
- ✓ Wear only black, brown, dark blue or gray coloured trousers (for male students), and knee-length straight skirts (for female students)
- ✓ Please note that when attending the University's formal functions i.e. examinations, quizzes, ethic seminar, class presentations, field trips etc., students are required to wear full uniform with the design stipulated in the University's dress code.

Furthermore, the dress codes also proscribe the wearing of the following:

- × below-waist trousers or skirt.
 - × tight trousers/blouses, or short skirt.
 - × trousers or skirts made from jeans, corduroy or velvet.
 - × trousers with the design resemble to jeans (for male students).
 - × half-pleated skirt with design similar to straight skirt on the upper part and pleated skirt on the bottom part (for female students).
- ⊙ **Breaching the aforementioned dress codes will result in students being denied entry or being requested to leave the university's premises, or being dismissed from classes – in such case, students may lose their class attendance. The rule of debarment will also be applied to the students with less than 80% class attendance.**

(Lecturers and university officers have been authorized to deny university entry permission to students violating this regulation and to request them to leave university's premises, as well as to confiscate their student ID card)

- ⊙ **Please note that all AU students are obligated to carry the University's student ID card upon entering the University's premise, and present it to the University Officers upon being requested. Failing to present their student ID card irrespective of reasons will subject students to a fine of up to 200 baht.**

Remark: Students whose ID cards are confiscated are required to contact Students Affairs Office (13th floor, CL Building; or 3rd floor, Students Organization Building for the ID card being confiscated at Suvarnabhumi campus or HuaMak campus respectively), within 5 working days after their ID cards are confiscated to retrieve their ID cards, pay a fine of up to 200 baht, and be informed about other punitive actions, if any. Students who do not retrieve their ID cards within the stated period will be required to apply and pay 200 baht fee for their new students ID card. The process of applying for the new ID cards requires students to obtain a letter from Office of Students Affairs to verify the termination of their ID cards, and subsequently contact the Bank officers for their new ID cards.) For future reference, it is advisable for the students to ask for names of lecturers or officers who confiscated their ID cards.

"Time Conflict Examination Application Procedure"

Period to apply for time conflict examination.

- AT1. **As stipulated in the registration regulations, only graduating students will be allowed to appear for the time conflict examinations without obtaining Dean's approval, provided that their petition is turned in to the Office of Registrar within specified period (refer to AT3), as such, the non-graduating students must ascertain during the pre-registration and adding periods that the subjects they prefer to enroll or add do not have examination time conflict.**
- AT2. **Should the non-graduating students wish to enroll or add the subjects with conflicting examination time, advices and approval for the time conflict examination must be obtained from the Dean prior to their registration of the subjects. The Dean concerned may exercise his/her discretion in declining the non-graduating students' request for time conflict examination. The decision of the Dean pertaining to the request is final.**
- AT3. **All petitions for the time conflict examination for both graduating and non-graduating students who obtain the Dean's approval must be submitted to Office of Registrar within the first three weeks (15 working days) of the semester/summer session.**
- AT4. **The students need to keep the "receipt" issued by the Office of Registrar, and present it to the Office in case that their names are not included in the "time conflict examination list".**
- AT5. **Ignorant of the Time Conflict Examination Application Procedures or personal reasons causing students to miss the Time Conflict Examination Application's dead line are not justifiable reasons for the late submission of the Time Conflict Examination Application.**

Checking the time conflict examination schedule and venue

SV1. *The students are also required to contact Office of the Registrar five working days before the first day of the examination period for the time conflict examination schedule as well as the "time conflict examination room". Usually the date of the examination with time conflict would remain unchanged, while the examination time would be rescheduled i.e. one subject would take place before the other - "back-to-back examinations", and the venue would be the examination room designated only for "Time Conflict Examination".*

Venue for Time Conflict Examination

The students must appear for the examinations, only in the assigned "Time Conflict Examination Room". *Should the students sit for the examination of any subject with time conflict examination in regular examination rooms, they will not be allowed to appear for another examination or apply for "late examination", and will hence obtain automatic withdrawal for the subject.*

Law on smoking cigarette

As the Health Ministry stipulates the University as a health protection area where smoking is prohibited, hence ***smoking cigarette is only allowed in the designated areas.*** Breaching the law will subject students to a fine of **2,000 baht.**

Restrictions on Foods and Drinks in the classroom buildings

Foods and Drinks are not allowed to be brought into classroom buildings. *Should the students violate the regulation, their students' ID card will be confiscated.*

Office of Vice President for Academic Affairs