
BAFI 511: Investment Theory and Asset Pricing

Program: Full-Time MBA Course Outline

COURSE INFORMATION

Division: Finance

Term/period: Period 3

Instructor:

Georgios Skoulakis

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(604) 827-3152 (O), (604) 351-6762 (C)

Office hours: By appointment

Section number: 001

Class meeting times: M/W 2:00 – 4:00 PM

Course duration: Jan 2 – Feb 7, 2019

Classroom location: HA 132

Pre-requisites: BAFI 500

Course website: Canvas

BRIEF COURSE DESCRIPTION

The course introduces the fundamentals of asset markets and asset valuation. We will cover basics related to trading of financial securities as well as the valuation of three asset classes: stocks, bonds, and derivatives.

COURSE GOALS & LEARNING OBJECTIVES

The main goal is to familiarize students with fundamental theoretical concepts and their practical application.

By the end of this course, students should be able to understand core issues in investments and asset pricing, analyze current issues in this dynamic area of business, and communicate their findings in a clear and concise fashion.

COURSE MATERIALS & REQUIREMENTS

Reading Materials:

- *Lecture Notes (required). The main readings will be lecture notes which will be made available to students on Canvas.*
- *Textbooks (optional).*
 - *Bodie, Kane, Marcus, Perrakis, and Ryan: Investments, 8th Canadian Edition, Mc-Graw Hill, 2015 (BKMPR).*
 - *Hillier, Grinblatt, and Titman: Financial Markets and Corporate Strategy, McGraw-Hill, 2011. The first part of the book provides a bit more concise theoretical treatment of the entire course material.*
 - *MacDonald: Derivatives Markets, Pearson, 2012. This book covers derivatives in greater detail.*

Technology Requirements: *access to a computer and printer, pen and paper, calculator.*

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ASSESSMENT SUMMARY

<i>Assignments</i>	<i>40%</i>
<i>Final Exam</i>	<i>50%</i>
<i>Participation</i>	<i>10%</i>

ASSESSMENT DESCRIPTION

Weekly assignments will be posted on Canvas. These assignments are to be completed without consulting anyone. Course participation is based on the quality of in-class contributions as well as activity on the Canvas discussion board.

SCHEDULE

	TOPIC	READINGS	DELIVERABLES
Lecture 1	Introduction, Investment Strategies, Trading	Lecture notes	Weekly assignment.
Lecture 2	Portfolio Theory	Lecture notes, BKMPR chapters 4-6	Weekly assignment.
Lecture 3	Capital Asset Pricing Model	Lecture notes, BKMPR chapter 7	Weekly assignment.
Lecture 4	Fixed Income Securities	Lecture notes, BKMPR chapter 12,13	Weekly assignment.
Lecture 5	Derivatives	Lecture notes, BKMPR chapter 18-20	Weekly assignment.

KEY REGULATIONS

Attendance: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL Regulations on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL Regulations on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on

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laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC MISCONDUCT

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student's responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC's procedures for Academic Misconduct. In addition to UBC's Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL's policy on Academic Integrity.

STANDARD REFERENCE STYLE

The Robert H. Lee Graduate School uses American Psychological Association (APA) reference style as a standard. Please use this style to cite sources in your work unless directed to use a different style.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.

OTHER INFORMATION