

### COURSE INFORMATION

<b>Course title:</b>	Investment Theory and Asset Pricing	<b>Credits:</b>	1.5
<b>Course code:</b>	BAFI 511	<b>Class location:</b>	HA 132
<b>Session, term, period:</b>	2019W2	<b>Class times:</b>	Mon-Wed 2:00pm-4:00pm
<b>Section:</b>	001	<b>Pre-requisites:</b>	BAFI 500 or BAFI 580A
<b>Course duration:</b>	Jan 6 – Feb 14, 2020	<b>Co-requisites:</b>	n/a
<b>Division:</b>	Finance		
<b>Program:</b>	MBA		

### INSTRUCTOR INFORMATION

<b>Instructor:</b>	Georgios Skoulakis	<b>Office hours:</b>	By appointment
<b>Phone:</b>	(604) 827-3152 (O), (604) 351-6762 (C)		
<b>Email:</b>	<a href="mailto:Georgios.skoulakis@sauder.ubc.ca">Georgios.skoulakis@sauder.ubc.ca</a>		

### 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.

### 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.

### ASSESSMENTS

#### Summary

<u>Component</u>	<u>Weight</u>
Assignments	40%
Final exam	50%
Class participation	10%
Total	<u>100%</u>

### *Details of Assessments*

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.

### LEARNING MATERIALS

#### 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.

### COURSE-SPECIFIC POLICIES AND RESOURCES

#### *Missed or late assignments, and regrading of assessments*

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

#### *Academic Concessions*

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

### POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

#### *Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

### *Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

### *Electronic Devices*

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School's policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students' use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

### *Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

## UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

## COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.

**ACKNOWLEDGEMENT**

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

**COURSE SCHEDULE**

(Subject to change with class consultation)

Class	Date	Topic	Readings or Activities	Assessments due
1 & 2	Jan 6 & 8	Introduction, Investment Strategies, Trading	Lecture notes	Assignment
3 & 4	Jan 13 & 15	Portfolio Theory	Lecture notes, BKMPR chapters 4-6	Assignment
5 & 6	Jan 20 & 22	Capital Asset Pricing Model	Lecture notes, BKMPR chapter 7	Assignment
7 & 8	Jan 27 & 29	Fixed Income Securities	Lecture notes, BKMPR chapter 12, 13	Assignment
9 & 10	Feb 3 & 5	Derivatives	Lecture notes, BKMPR chapter 18-20	Assignment