City University of Hong Kong
Course Syllabus

offered by Department of Economics and Finance
with effect from Semester A 2022 /23

Part I   Course Overview

Course Title: Investments

Course Code: EF5052

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Medium of Assessment: English

Prerequisites:
(Course Code and Title) Nil

Precursors:
(Course Code and Title) Students are required to have solid knowledge of basic statistics, e.g., variance, covariance, and especially regression analysis.

Equivalent Courses:
(Course Code and Title) FB5153 Investment Analysis and Portfolio Management

Exclusive Courses:
(Course Code and Title) Nil

Part II   Course Details

1.   **Abstract**

This course aims to develop students' ability to analyse the return generating process of assets including stocks and bonds, and explore how various assets can be combined to form efficient portfolios in the mean-variance framework. In particular, this course intends to help students to develop their career as a financial advisors or analysts. So, students are trained to apply what they learn during the course to financial problems in practice.

2.   **Course Intended Learning Outcomes (CILOs)**
(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	*A2*	*A3*
1.	Analyze securities markets and investment companies	25%	✓	✓	✓
2.	Apply classical portfolio theory and integrate with risk attitude to form an efficient portfolio	25%	✓	✓	✓
3.	Evaluate risk and return using standard asset pricing models	25%	✓	✓	✓
4.	Evaluate fund performance and bond portfolio	25%	✓	✓	✓
		100%			

A1:   Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.
A2:   Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.
A3:   *Accomplishments*
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3.   **Teaching and Learning Activities (TLAs)**
(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
1.	Lectures	✓	✓	✓		3 hours lecture per week
2.	In-class discussions	✓	✓	✓		3 hours lecture per week
3.	Students' case analysis/project		✓	✓	✓	3 hours lecture per week
4.	Students' in-class interaction				✓	3 hours lecture per week

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.				Weighting	Remarks
	1	2	3	4		
Continuous Assessment: 50%						
Course work (e.g. class participation, homework, group project, presentation, quiz/mid-term exam)	✓	✓	✓	✓	50%	
Examination: 50% (duration: 2-hour, if applicable)						
Final Examination	✓	✓	✓	✓	50%	
					100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted in Semester A 2022/23 and thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. Course work (e.g. class participation, homework, group project, presentation, quiz/mid-term exam)	general	Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.	Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.	Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).	Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.
2. Examination	general	Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.	Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.	Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).	Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.

Applicable to students admitted before Semester A 2022/23

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Course work (e.g. class participation, homework, group project, presentation, quiz/mid-term exam)	general	Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.	Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.	Some evidence of knowing how to apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases in a fragmented way.	Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).	Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.
2. Examination	general	Strong evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Strong ability to apply economic concepts and theories to real-world cases and to analyze and formulate solutions.	Evidence of knowing how to comfortably apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases.	Some evidence of knowing how to apply the analysis and techniques outlined in CILOs. Able to apply economic concepts and theories to real-world cases in a fragmented way.	Passing familiarity with the analysis and techniques outlined in CILOs. Weak ability to describe economic concepts and apply theories fragmentarily (with incomplete, disconnected, and inconsistent parts).	Little or no evidence of familiarity with the subject. Unable to describe economic concepts and unable to apply theories.

Part III   Other Information (more details can be provided separately in the teaching plan)

1. **Keyword Syllabus**

    Asset Classes, Costs of Trading, Mutual Funds, History of Interest Rates and Risk Premiums, The asset allocation question, Capital Asset Pricing Model (CAPM), The Index Model and CAPM, Multifactor models and Arbitrage Pricing Theory, Market Efficiency, Term Structure of Interest Rates, Investment Strategy and Performance Measures, Bond Portfolio.

2. **Reading List**
2.1 **Compulsory Readings**

1.	Bodie, Kane and Marcus: Investments, Current Ed., McGraw-Hill;

2.2 **Additional Readings**

1.	Lecture notes, newspaper clippings and articles.