Korea Advanced Institute of Science and Technology
Department of Management Science
Course Syllabus, Fall 2017

Course Information

- Course Title: Investment Theory
- Course Number: **MSB411**
- **Prerequisites: Financial Management (MSB235) or equivalent**
- Meeting Time: Tuesday and Thursday, 9:00 – 10:30am
- Classroom: Building E11, Room 205
- Course Web Pages: KLMS

Instructor Information

- Name: Seung Hun Han, PhD
- Office: Building N22, Room 604
- Phone: 042-350-6309
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- Office Hours: Tuesday and Thursday, 1:30 – 3:00pm
- TA: Mr. Dongwook Seo, E-mail: myclover@kaist.ac.kr

Course Description and Learning Objectives

- The main objective of the course is to provide an overview of theories in investment such as portfolio theory and the valuation models.
- The valuation models include the Capital Asset Pricing Model and Arbitrage Model.
- Also, financial markets, financial instruments, and mutual funds and other investment companies are introduced.
- In addition, the financial derivatives such as options and futures securities and the related theory and markets are covered.
- Prerequisite for this class is Financial Management (MSB235) or equivalent (i.e., corporate finance). Students cannot take the prerequisite course at the same time with this Investment class, so students should have taken the prerequisite prior to the Fall semester of 2017.

Group Project

- A stock valuation (analysis) report on any listed company

Grading Policy

Assignments	10%
Group Project	20%
Midterm Exam	25%
Project Presentation	15%
Final Exam	30%
Total	100%

Course Materials

Required Text Book

- Essentials of Investments, 8th Edition, Bodie, Kane, and Marcus, McGraw Hill, 2010

Academic Integrity

- In this course complete honesty is expected. The minimum penalty for cheating is a grade of "F" in this course and an academic dishonesty notation on the student's permanent record. In most cases, I will try to have the student be expelled from KAIST.

Tentative Schedule

Week	Topic	Ch	Note
W1	Introduction Investments & Financial Securities	1,2	
W2	Financial Markets Investment Companies	3,4	
W3	Risk and Return	5	
W4	Portfolio Theory Portfolio Analysis	6	
W5	Regression CAPM & APT	 7	
W6	CAPM & APT	7	
W7	Efficient Market Hypothesis	8	
W8	Bond		
W9	Midterm Exam	9	
W10	Fixed Income Securities Bond Portfolio Management	10 11	
W11	Security Analysis Security Analysis	12.13	
W12	Security Valuation Options Markets	12,13 14	
W13	Option Valuation Option Valuation	15	
W14	Futures Markets Futures Markets	16	
W15	Performance Evaluation International Markets	17 18	
W16	Final Exam		

* This schedule is subject to change if necessary.