

MIDDLE EAST TECHNICAL UNIVERSITY
Department of Business Administration

BA 4814-5814 Investment Management

Spring, 2007

Asst. Prof. Dr. Adil ORAN

Phone: 210-2041

Class Hours: T,Th 14:45-16:00 G108

Office: H114

Office Hours: T,Th 10:30-11:30, W 13:30-14:30

WWW: <http://adiloran.com/>

Email: adiloran@metu.edu.tr

Email List: ba4814@yahoogroups.com

Text:

Bodie, Z., A. Kane and A.J. Marcus, Investments, International Edition (5th), McGraw Hill/Irwin, 2002, available at the METU bookstore.

Course Objectives:

- Develop an understanding of the investment environment, organization of financial markets and types of instruments traded.
- Develop an understanding of the concept of financial risk and its relation to financial returns. The effects of diversification on risk.
- Master main asset pricing models and their applications.

Course Description:

This course will introduce the student to the area of investment management with emphasis upon why individuals and institutions invest and how they invest. Topics include measures of risk and return; capital and money markets; process and techniques of investment valuation; principles of fundamental analysis; technical analysis; analysis and management of bonds; analysis of alternative investments; portfolio theory and application.

Quizzes and Assignments:

There may be a number of quizzes and assignments throughout the semester.

Class Participation:

Participation will sometimes be voluntary and sometimes mandatory. Remember that as a businessperson, it will be essential for you to be able to discuss topics comprehensibly and skillfully. There are few places to better practice this than in class. In the classroom your mistakes cost you very little, but it is an ideal environment to learn. So take advantage of it!

Class Preparation:

You should come to class having read the relevant material prior to class, and prepared any assignments for the topic to be covered that day. Proper preparation for the class will significantly increase your understanding of the lecture and related subject. Questions are expected and encouraged.

Grading:

Mid-Term	40%
Final (Comprehensive)	40%
Quizzes, Homework, Participation	20%

Email list:

You are **required** to join the email list for this course (ba4814@yahoogroups.com). The list will be used to communicate information about assignments, resources, changes in dates, etc.

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Class Web Page:

The web page will contain all of the class material, links to useful sites, link to the book's web page, assignments, class notes (ppt), and grades. The class webpage can be reached from <http://adiloran.com/>

Topics to be covered:

Chapter-Topic	Assignments
<u>Syllabus and Introduction</u>	
1-Investment Environment	
2-Markets and Instruments	
3-How Securities are Traded	
4-Mutual Funds and Other Investment Companies	
5-History of Interest Rates and Risk Premiums	
6-Risk and Risk Aversion	
7-Capital Allocation between the Risky Asset and the Risk-Free Asset	
8-Optimal Risky Portfolios	
9- The Capital Asset Pricing Model	
10- Single Index and Multifactor Model	
11- Arbitrage Pricing Theory	
12- Market Efficiency	
13-Empirical Evidence on Security Returns	
14-Bond Prices and Yields	
15-Term Structure of Interest Rates	
16-Managing Bond Portfolios	
17- Macroeconomic and Industry Analysis	
18-Equity Valuation Models	
19-Financial Statement Analysis.	
The following additional subjects will also be covered but the depth of coverage will depend on the time remaining	
Options	
Portfolio Management	
Technical Analysis	
Behavioral Finance	