Course Title: Investment Theory and Portfolio Management (FIR 7410)
Instructor: Dr. Christine X. Jiang, Professor of Finance

Class Schedule: Monday 7:10pm – 10:10pm
Business Building, Room 365

Course Description:
This course is an introduction to the modern theory and practice of investing. Major topics covered include in-depth discussions on valuation of financial claims such as bonds, stocks, and derivative securities, portfolio formation and revision, and portfolio performance monitoring. In order to help students to better understand the real investment process, hands-on experience can be gained through participation in Stock-Trak Portfolio Simulation and presentations on timely topics.

Another important goal is to teach students to understand and critically evaluate investment advice, learn to be skeptical about investment recommendations you receive by reading the popular press, talking to your broker, watching late night informercials, or listening to your friends.

Office Hours: Monday 2:10 – 3:40 pm, or by appointment
Business Building, Room 421
Telephone Number: 901-678-5315
Email: cjiang@memphis.edu

Textbook & Course Materials: Investments by Zvi Bodie, Alex Kane, and Alan J. Marcus, 8th edition, Richard D. Irwin, Inc.

Stock-Trak Portfolio Simulation http://www.stocktrak.com

Power Point Notes and Additional Class Information: You need to regularly visit class website. Make sure that you print out the power point notes before class and bring them with you to the class.
https://umdrive.memphis.edu/cjiang/www/

Grading: Midterm Exam 20%
Team Project: Simulation and Presentation 20%
Valuation Term Project 20%
Class Participation 10%
Final Exam 30%

Policies: 1. Class attendance is required.
2. Make up exams will not be given unless instructor is informed in advance.
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<th>Class</th>
<th>Topics (Tentative Schedule)</th>
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<td>1-3</td>
<td><strong>Introduction To Securities and Financial Markets</strong>&lt;br&gt;The Investment Environment&lt;br&gt;Financial Markets and Instruments&lt;br&gt;Securities Trading&lt;br&gt;Mutual Funds&lt;br&gt;Reading Assignment: Chapters 1-4</td>
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<td>4-5</td>
<td><strong>Portfolio Theory</strong>&lt;br&gt;Historical Rates of Returns&lt;br&gt;Asset Allocation and Portfolio Diversification&lt;br&gt;Optimal Risky Portfolios&lt;br&gt;Reading Assignment: Chapters 5-7</td>
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<td>7-9</td>
<td><strong>Asset Pricing</strong>&lt;br&gt;Capital Asset Pricing Theories&lt;br&gt;The Efficient Market Hypothesis&lt;br&gt;Behavioral Finance and Technical Analysis&lt;br&gt;Empirical Evidence on Security Returns&lt;br&gt;Reading Assignment: Chapters 9, 11-13&lt;br&gt;Midterm Exam</td>
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<td>10-12</td>
<td><strong>Equity Valuation</strong>&lt;br&gt;Macroeconomic and Industry Analysis&lt;br&gt;Equity Valuation&lt;br&gt;Financial Statement Analysis&lt;br&gt;Reading Assignment: Chapters 17-19</td>
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<td>13-14</td>
<td><strong>Bond Valuation</strong>&lt;br&gt;Fixed Income Securities&lt;br&gt;Fixed Income Portfolio Management&lt;br&gt;Reading Assignment: Chapters 14, 16</td>
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<td><strong>Presentation and Review for Final Exam</strong>&lt;br&gt;Final Exam, Monday May 3, 2010 (7:00 pm – 9:00 pm)&lt;br&gt;Valuation term project due on May 3, 2010</td>
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