

# Investments

## FMB506E & FMB507E

(Syllabus as of: Jun. 24, 2015)

Professor: Kyoungwon Seo  
Fall 2015  
Time: 10am – 11:20am, Mon&Wed  
Office Hour: By appointment

Office: S392  
E-mail: [kseo@kaist.ac.kr](mailto:kseo@kaist.ac.kr)  
Classroom: TBA

Teaching Assistant: TBA

TA Office Hour: By appointment

### Overview

This course introduces students to basic and up-to-date investment theories in finance and their empirical evidence that are of practical value. The topics to be covered include standard asset pricing models and portfolio management.

FMB507E (for the latter half of the semester) requires knowledge of FMB506E, in particular, the Mutual Fund Theorem, the CAPM, the APT and skills of handling software to apply the theories to the real world.

### Text

Bodie, Z., Kane, A., and Marcus, A.J., Investments and Portfolio Management, 9th Edition (Global Edition), McGraw-Hill.

### Grading (for each of FMB506E and FMB507E)

- Final: 70%
- Assignment: 20%
- Attendance & participation: 10%

### Exam

The midterm (week 8) and final (week 16) exams are in class, closed-book and timed. The final exam is cumulative. The time and place will be announced.

### Assignments

You are expected to hand in hard copies of your assignments. The main purpose of the assignments is not to evaluate you but to help you understand the material. So, you are encouraged to discuss the assignments with, teach and learn from each other. However, the final draft to submit must be your own work. Grading the assignments will be based on how much effort you put, not on whether your answers are correct.

### Course Schedule (Tentative)

FMB506E:

- Topic 1. Portfolio theory (Ch. 5,6,7)
- Topic 2. CAPM (Ch. 8,9)
- Topic 3. Multifactor models (Ch. 10)

FMB507E:

- (Part of multifactor models that were not covered in FMB506E)
- Topic 4. Efficient market hypothesis (Ch.11)
- Topic 5. Performance evaluation (Ch. 24)
- Topic 6. Hedge funds (Ch. 26)