



# Investments

Prof. Jong-Bom Chay, SKKU

## SHORT COURSE DESCRIPTION

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This course is an introductory investment course that focuses on practical applications of modern portfolio theories. Students who want to start a career as investment professionals or who want to improve their decision-making as individual investors will find this course very useful. The course provides basic knowledge about financial markets, valuation of stocks and bonds, and portfolio management. We will explore modern portfolio theories, empirical behavior of security prices, market efficiency, stock and bond portfolio management, derivative securities, and performance evaluation. We will also try mock trading of ETFs to get the feel for actual investments in the real world.

Instructor: Prof. Jong-Bom Chay, Ph.D., CFA  
Class Time: Afternoon session  
Classroom: TBD [International Hall]  
E-mail: [jbchay@skku.edu](mailto:jbchay@skku.edu)

## READING MATERIALS

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1. Required Textbook: Bodie, Kane, and Marcus, *Essentials of Investment* 12th Edition (2022), McGraw-Hill.
2. Lecture notes will be available from SKKU ISS website.

## COURSE REQUIREMENTS AND GRADING

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This course's final grade will be either a 'pass' or 'fail' based on the student academic achievement evaluated by grades on a scale of 100 points (grade of 60 or above is Pass). **SKKU regulations require students to attend at least 80% of all classes.** Students are expected to familiarize themselves with SKKU policies about plagiarism and academic dishonesty.

You will be graded on the following:

- (a) Exams: There will be **two exams** to be finished within **3 hours**.
- (b) Homework assignment: This will be evaluated based on your attempt at the assigned homework. Although your assignments will not be graded, your submission record will account for 20% of the grade

### Assessment:

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| (a) Attendance and class participation: | 20% |
| (b) Homework assignment submitted:      | 20% |
| (c) Exam 1 (Open-book, 3-hour limit):   | 30% |
| (d) Exam 2 (Open-book, 3-hour limit):   | 30% |

### Homework assignments:

Assignments will include some of the end-of-the-chapter problems in our main textbook. Since the exam questions will be similar to these assignment problems, you will find your work for assignments a very rewarding experience. We will also try some mock trading sessions of ETFs for a short period as a part of assignment.

### **Classroom Policies**

I expect you to attend all classes and to participate actively in class discussion so that you get the most learning out of this course.

I will make all class-related announcements in class. This includes class cancellations, changes in assignments, exam dates, changes in topics, policies, etc. It is your responsibility to find out what you missed if you miss a class.

### **Principle on Academic Integrity**

Plagiarism, cheating, and other incidents of academic dishonesty will result in an automatic failing grade for the course.

### **COURSE SCHEDULE (tentative)**

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#### **– WEEK I –**

##### Monday (July 1)

Asset classes and financial instruments (Ch. 2)

##### Tuesday (July 2)

Securities markets (Ch. 3)

##### Wednesday (July 3)

Mutual funds and other investment companies (Ch. 4)

##### Thursday (July 4)

Risk, return, and the historical record (Ch. 5)

Efficient diversification (Ch. 6)

#### **– WEEK II –**

##### Monday (July 8)

Capital asset pricing model (Ch. 7)

##### Tuesday (July 9)

The efficient market hypothesis (Ch. 8)

##### Wednesday (July 10)

Bond price and yields (Ch. 10)

##### Thursday (July 11)

**Exam 1**

#### **– WEEK III –**

##### Monday (July 15)

Managing bond portfolios (Ch. 11)

Tuesday (July 16)

Equity valuation (Ch. 13)

Wednesday (July 17)

Financial statement analysis (Ch. 14)

Thursday (July 18)

Futures markets and risk management (Ch. 17)

– WEEK IV –

Monday (July 22)

Options markets (Ch. 15)

Tuesday (July 23)

Evaluating investment performance (Ch. 18)

Wednesday (July 24)

**Exam 2**