

<b>Identification</b>	<b>Subject (code, title, credits)</b>	FIN 420 Investment Management-3KU/6ECTS credit
	<b>Department</b>	Economics and Management
	<b>Program (undergraduate, graduate)</b>	Undergraduate
	<b>Term</b>	FALL 2019
	<b>Instructor</b>	Tural Gasimov
	<b>E-mail:</b>	<a href="mailto:gasimov.tural@khazar.org">gasimov.tural@khazar.org</a>
	<b>Phone:</b>	
	<b>Classroom/hours</b>	Mehseti Str. 41, Tuesday 08:30-11:40, Room 302N
	<b>Office hours</b>	
<b>Prerequisites</b>	FIN 310 Financial Management	
<b>Language</b>	English	
<b>Compulsory/Elective</b>	Compulsory	
<b>Required textbooks and course materials</b>	<p><b>Core textbook:</b></p> <p>Bodie, Zvi, Alex Kane, and Alan J. Markus, <i>Investments</i>, McGraw Hill, 2017 (11<sup>th</sup> Edition)</p> <p><b>Supplementary textbook:</b></p> <p>CFA I Curriculum, <i>Corporate Finance and Portfolio Management</i>, Wiley Pub, 2018</p> <p>John C. Hull, <i>Options, Futures, and Other Derivatives</i>, 8<sup>th</sup> edition, Pearson Ed, 2012 (or later)</p>	
<b>Course website</b>		
<b>Course outline</b>	<p>The focus of this course is on financial theory and empirical evidence for making investment decisions. Topics include: portfolio theory; equilibrium models of security prices (including the capital asset pricing model and the arbitrage pricing theory); the empirical behavior of security prices; market efficiency; performance evaluation; and behavioral finance.</p>	
<b>Business Case</b>	<p>There will be one Harvard business case in order to combine theoretic concepts with real world cases. Students expect to make write-up as well as present results. Case will focus on quantitative RM, mainly market, credit, liquidity risks as well as Basel accords.</p>	
<b>Course objectives</b>	<p>The objective of this course is to:</p> <ul style="list-style-type: none"> <li>•provide an overview of institutional details linked to financial markets and the trading process</li> <li>•provide an overview of historical trends and innovations in financial instruments and trading processes</li> <li>•provide an overview of various financial instruments</li> <li>•provide insight into the use of finance theory in investment management</li> <li>•provide a guide to the measurement and analysis of risk of financial investments</li> </ul>	

	<ul style="list-style-type: none"> <li>•provide a guide to the measurement of performance of fund management</li> <li>•address key issues in risk management.</li> </ul>
<b>Learning outcomes</b>	The goal of this course is to engage students in active discovery of Investment management principles. Students will be prepared to function in a business environment, developing an awareness of the challenges, the tools, and the process of designing and implementing an Investment management program.

<b>Teaching methods</b>	<b>Lecture</b>		x
	<b>Group discussion</b>		x
	<b>Experiential exercise</b>		x
	<b>Case analysis</b>		x
	<b>Simulation</b>		x
	<b>Course paper</b>		x
<b>Others</b>		x	
<b>Evaluation</b>	<b>Methods</b>	<b>Date/deadlines</b>	<b>Percentage (%)</b>
	<b>Midterm Exam</b>	15/11/2019	30
	<b>Activity</b>		5
	<b>Attendance</b>		5
	<b>Business Case</b>	27/12/2019	10
	<b>Presentation</b>	06/12/2019	10
	<b>Final Exam</b>		40
	<b>Total</b>		100
<b>Evaluation criteria</b>	Students are required to attend all classes in order to follow all lectures. Participation in class discussions plays main role in the assessment process of students' activity rates. Thus, the assessment process will be based on how active students are in the class discussions by answering the instructor's questions, and initiating to ask questions which are relevant to the subject, and providing their views and insights on related matters.		
<b>Policy</b>	<p>General policy:</p> <p>To come to class on time, to be attentive and engaged in class, to refrain from using laptops, cell phones and other electronic devices during class, to spend an adequate amount of time on the homework each week, making an effort to solve and understand each problem, to engage with both the abstract and computational sides of the material.</p> <p>We will devote one entire session to the case discussion. The instructor's role during a case discussion is that of a moderator. When the cases are discussed, we are less concerned with "right" or "wrong" answers than we are with thoughtful contributions which follow the discussion and either add to the debate or move it in a new direction.</p>		
<b>Tentative Schedule</b>			

<b>Week</b>	<b>Date/Day (tentative)</b>	<b>Topics</b>	<b>Textbook/Assignments</b>
1	20/09/2019	Financial Markets and Instruments	BKM Ch 1-2
2	27/09/2019	Securities, Random Walk on Wall Street	BKM Ch 3 -5
3	04/10/2019	Portfolio Theory, Part 1: Setting Up the Problem	BKM Ch 6-7
4	11/10/2019	Portfolio Theory, Part 2: Skewness Preference and Dynamic Rebalancing	BKM Ch 6 Appendix A
5	18/10/2019	Portfolio Theory, Part 3: Multiple Risky Assets	BKM Ch 8,
6	25/10/2019	The CAPM and APT, Part 1: Theory	BKM Ch 9-11
7	01/11/2019	The CAPM and APT, Part 2: Applications and Tests.	BKM Ch 13
8	08/11/2019	Equity and Equity Options	BKM Ch 20
9	15/11/2019	<b>Midterm Exam</b>	
10	22/11/2019	The Fixed Income Market	BKM Ch 14-15
11	29/11/2019	Futures, Swaps, Caps/Floors, Swaptions, and Other Derivatives	BKM Ch 22, 23
12	06/12/2019	<b>Group Project Presentation</b>	
13	13/12/2019	Security Analysis and Stock Selections	BKM Ch 17-19
14	20/12/2019	Active Portfolio Management	BKM Ch 26-27
15	27/12/2019	Hedge Funds and Proprietary Trading Introduction to Alternative Investments & PE. <b>Business Case</b>	Additional Reading Additional Reading
16		<b>Final Exam</b>	

