

<b>Identification</b>	<b>Subject (code, title, credits)</b>	<b>FIN 851 Investment Management-3KU/6ECTS</b>
	<b>Department</b>	Economics and Management
	<b>Program (undergraduate, graduate)</b>	Graduate
	<b>Term</b>	FALL 2022
	<b>Instructor</b>	Tural Gasimov
	<b>E-mail:</b>	<a href="mailto:gasimov.tural@khazar.org">gasimov.tural@khazar.org</a>
	<b>Classroom/hours</b>	Mehseti Str. 41, Tuesday 18:30-21:00, Room 301NB
	<b>Office hours</b>	
<b>Prerequisites</b>	<b>FIN 830</b> Financial Management	
<b>Language</b>	English	
<b>Compulsory/Elective</b>	Compulsory	
<b>Required textbooks and course materials</b>	<p><b>Core textbook:</b>  Bodie, Zvi, Alex Kane, and Alan J. Markus, <i>Investments</i>, McGraw Hill, 2017 (11<sup>th</sup> Edition)  J. Pearl, J. Rosenbaum, <i>Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions</i>, Wiley, 2013, 2<sup>nd</sup> Edition</p> <p><b>Supplementary textbook:</b>  Edwin J. Elton, Martin J. Gruber, <i>Modern Portfolio Theory and Investment Analysis</i>, Wiley Pub, 2014, 9th Edition  CFA I Curriculum, <i>Corporate Finance and Portfolio Management</i>, Wiley Pub, 2021  John C. Hull, <i>Options, Futures, and Other Derivatives</i>, 8<sup>th</sup> edition, Pearson Ed, 2020 (or later)</p>	
<b>Course outline</b>	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.	
<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> <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.
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<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>		30
	<b>Activity</b>		5
	<b>Attendance</b>		5
	<b>Business Case</b>		10
	<b>Presentation</b>		10
	<b>Final Exam</b>		40
	<b>Total</b>		100
<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> <p>Presentation: An academic presentation is an effective task that develops a student's <b>communication skills</b>. They later use these skills in their professional and personal lives in the future after studies. Shy students might struggle with talking in front of an audience but learning about the true power of speech will help them overcome their fears. Students supposed to present given group project. Group Project grading will be based on the quality of the analysis, as well as the ability to present the results of the analysis.</p> <p>Plagiarism: Plagiarism is presenting someone else's work or ideas as your own, with or without their consent, by incorporating it into your work without full acknowledgement. All published and unpublished material, whether in manuscript, printed or electronic form, is covered under this definition. Plagiarism may be</p>		

		intentional or reckless, or unintentional. Under the regulations for examinations, intentional or reckless plagiarism is a disciplinary offence.  Business Case: 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 Alternative Investments, Valuation, Merges and Acquisitions. Write-up must be sent to teacher or dean office before the deadline. Evaluation will be on comprehensiveness of the analysis, quality and results.	
Tentative Schedule			
Week	Date/Day (tentative)	Topics	Textbook/Assignments
1		Lecture 1: Investment Environment	BKM Ch 1-2
2		Lecture 2: Securities, Random Walk on Wall Street	BKM Ch 3 -5
3		Lecture 3: Portfolio Theory Part 1: Setting up the Problem	BKM Ch 6-7
4		Lecture 4: Portfolio Theory Part 2: Optimal Risky Portfolio	BKM Ch 8
5		Lecture 5: The CAPM and APT Part 1: Theory	BKM Ch 9-11
6		Lecture 6: APT and Multifactor Models of Risk and Return	BKM Ch 13
7		Lecture 7: Behavioral Finance and Technical Analysis	BKM Ch 12
8		Lecture 8 & 9: The Equity Market: Cross Sectional Variation in Stock Returns, The Fixed Income Market	BKM Ch 14-15, 20
9		Midterm Exam	
10		Lecture 10: Forwards, Futures & Swaps	Additional Reading
11		Lecture 11: Valuation Methodologies: DCF, FCF and etc.	Additional Reading
12		Lecture 12: Leveraged Buyouts	Additional Reading
13		Lecture 13: Mergers & Acquisitions	BKM Ch 17-19
14		Lecture 14: Active Portfolio Management	BKM Ch 26-27
15		Lecture 15: Hedge Funds	Additional Reading
16		Final Exam	