

Identification	Subject (code, title, credits)	FIN 420 Investment Management - 3KU/6ECTS
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall, 2024
	Instructor	Tural Gasimov
	E-mail:	gasimov.tural@khazar.org
	Classroom/hours	Khazar University (Neftchilar Campus) 11 Mahsati Street; Wednesdays 18:30- 21:00
	Office hours	By appointment
Prerequisites	FIN 310 Fundamentals of Financial Management	
Language	English	
Compulsory/Elective	Compulsory	
Required textbooks and course materials	<p>Core textbook: BODIE, Zvi, Alex KANE, and Alan J. MARCUS, 2024, Investments, 13th edition, McGraw-Hill.</p> <p>Supplementary textbook: Edwin J.Elton, Martin J.Gruber, “Modern Portfolio Theory and Investment Analysis”, 9th edition, Wiley, 2014.</p> <p>John C. Hull, Options, Futures, and Other Derivatives, 8th edition, Pearson Ed, 2012 (or later)</p> <p>Koller, Tim, Marc Goedhart, and David Wessels, Valuation: Measuring and Managing the Value of Companies, 7th edition, McKinsey & Company, Wiley, 2020.</p>	
Course outline	<p>This course explores investment management, focusing on decision-making, portfolio construction, and valuation techniques used by investors. Key topics include financial markets, risk and return, asset allocation, portfolio optimization, and asset pricing models like CAPM and multifactor models. Students will learn equity valuation and financial statement analysis, with a focus on real-world applications such as mergers and acquisitions, including case studies like the Anadarko and Tiffany cases. The course aims to equip students with the knowledge and skills necessary for informed investment decisions and effective portfolio management.</p>	
Course objectives	<p>The course aims to provide a rigorous understanding of investment management theories and practices. Students will explore financial securities, portfolio optimization, asset pricing models, market efficiency, and performance evaluation within the mutual fund and hedge fund industries, preparing them to analyze and manage investments effectively. The another objective of the course is that students will participate in a real-world case project involving a full-scale company valuation, including DCF analysis. This project will cover business model analysis, cash flow projections, and cost of capital estimation, applying theoretical concepts in practical scenarios. Additionally, the course will feature the analysis of HBS cases, offering insights into valuation and strategic decision-making in investment management.</p>	

Learning outcomes	Upon completion, students will be able to <ul style="list-style-type: none"> • evaluate different types of investors and their portfolio strategies, • estimate risk and return for various portfolios, • apply asset pricing models, diversify portfolios using correlation patterns, • conduct company valuations using techniques such as DCF analysis. • develop skills to construct optimal portfolios based on real market data and conditions. 		
Teaching methods	Lecture	x	
	Group discussion	x	
	Case analysis	x	
	Course paper	x	
	Others	x	
Evaluation	Methods	Date/deadlines	Percentage (%)
	Midterm Exam	TBA	25
	Activity		5
	Class Attendance		5
	Business Case: Preliminary results	Week 14-15	15
	Business Case: Presentation	Week 15	15
	Final Exam	TBA	35
	Total		100
Policy	Evaluation is based on midterm and final exams, as well as class discussions (activity), regular attendance. Business case will be divided into 2 parts. Students required starting from 11th week send their preliminary results (ppt and excel) and discuss during class sessions. Combined complete business case must be submitted 72 hours before presentation day and all students must present their final results.		

Tentative Schedule

Week	Date/Day (tentative)	Topics	Textbook/Assignments
1		Financial Markets and Instruments	BKM, Chapter 1-3
2		Risk and Return, Asset Allocation	BKM, Chapter 5-6
3		Portfolio Optimization	BKM, Chapter 7
4		The Capital Asset Pricing Model	BKM, Chapter 8,9
5		Multifactor Models and the Arbitrage Pricing Theory	BKM, Chapter 10, 13
6		Fundamentals of Financial Statement Analysis	BKM, Chapter 19
7		Fundamentals: Analysis Tools	Lecture notes, CFA I
8		Midterm Exam	
9		Fundamentals: Ratio Analysis	Lecture notes, CFA I
10		Valuation: Business model analysis	Lecture notes
11		Valuation: Cashflow projections	Lecture notes
12		Valuation: Cost of capital estimation	Lecture notes
13		DCF valuation, multiple valuation and share price analysis	Lecture notes
14		Merges and Acquisitions: Anadarko Case, Tiffany Case	Lecture notes
15		Group Project Presentation	
		Final Exam	