

Identification	Subject (code, title, credits)	FIN 420 Investment Management-3KU/6ECTS
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall 2025
	Instructor	Tural Gasimov
	E-mail:	gasimov.tural@khazar.org
	Classroom/hours	Mehseti Str. 41, Wednesdays 18:30 - 21:00, Room 301NB
	Office hours	
Prerequisites	FIN 310 Financial Management	
Language	English	
Compulsory/Elective	Compulsory	
Required textbooks and course materials	<p>Core Textbooks</p> <ul style="list-style-type: none"> • Bodie, Zvi, Alex Kane, and Alan J. Marcus, <i>Investments</i>, 13th Edition, McGraw-Hill, 2023. • Rosenbaum, Joshua, and Joshua Pearl, <i>Investment Banking: Valuation, LBOs, M&A, and IPOs</i>, 3rd Edition, Wiley, 2020. <p>Supplementary Textbooks</p> <ul style="list-style-type: none"> • Elton, Edwin J., Martin J. Gruber, Stephen J. Brown, and William N. Goetzmann, <i>Modern Portfolio Theory and Investment Analysis</i>, 9th Edition, Wiley, 2014. 	
Course outline	<p>This course focuses on the financial theory and practical tools used to make informed investment decisions. Key topics include portfolio theory, asset pricing models such as the Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT), and the empirical behavior of security prices. The course also covers market efficiency, behavioral finance, performance evaluation, and valuation techniques. Applied components include 3-statement modeling, DCF valuation, and case studies in private equity, M&A, and hedge funds.</p>	
Course objectives	<p>This course provides a practical and theoretical foundation in investments, portfolio management, and business valuation. Students will learn how financial markets operate, how to measure risk and return, and how to build and value investment portfolios. The course also covers financial modeling, DCF valuation, private equity, M&A, and hedge fund strategies, culminating in a real-world group project.</p>	
Learning outcomes	<p>By the end of the course, students will be able to:</p> <ul style="list-style-type: none"> • Understand how financial markets and securities function, risk and return • Construct and evaluate investment portfolios • Apply asset pricing models (CAPM, APT) • Build and interpret 3-statement financial models and DCF Valuations • Understand the basics of private equity, M&A, and hedge funds • Present a full valuation of a real company in a team setting 	

Teaching methods	Lecture		x
	Group discussion		x
	Experiential exercise		x
	Case analysis		x
	Simulation		x
	Course paper		x
	Others		x
Evaluation	Methods	Date/deadlines	Percentage (%)
	Midterm Exam		30
	Activity		5
	Attendance		5
	Business Case (Write-up)		10
	Business Case (Presentation)		10
	Final Exam		40
	Total		100
Policy	General policy:		
	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.		
	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.		
	The course includes a Harvard Business School case study aimed at applying core concepts in valuation and M&A to real-world scenarios. Students will be expected to complete a written analysis and deliver a group presentation. The case will emphasize strategic deal evaluation, valuation modeling, and investment decision-making in a practical context.		
	Business Case Evaluation <ul style="list-style-type: none">Write-up + Excel (10%): Assesses the quality of analysis, valuation modeling, and clarity of conclusions. Presentation (10%): Evaluates communication of findings, teamwork, and ability to defend assumptions and recommendations.		
Tentative Schedule			

Week	Date/Day (tentative)	Topics	Textbook/Assignments
1		The Investment Environment	BKM Ch 1-2
2		How Securities Are Traded	BKM Ch 3 -4
3		Risk, Return, and the Historical Record	BKM Ch 5
4		Portfolio Theory, Part 1: Setting Up the Problem	BKM Ch 6-7
5		Portfolio Theory, Part 2: Multiple Risky Assets	BKM Ch 8,
6		The CAPM and APT, Part 1: Theory	BKM Ch 9-11
7		The CAPM and APT, Part 2: Applications and Tests.	BKM Ch 10-11
8		Behavioral Finance and Technical Analysis	BKM Ch 12
9		Midterm Exam	
10		Introduction to Business Valuation	Rosenbaum, Ch 1
11		3-Statement Modeling	Rosenbaum, Ch 2
12		DCF Valuation Modeling	Rosenbaum, Ch 3
13		Introduction to PE and M&A	Rosenbaum, Ch 4-5
14		Group Project Presentation	
15		Hedge Funds and Proprietary Trading Business Case	Additional Reading
		Final Exam	

