



Finance Division  
Yonsei Business School  
Yonsei University

**BIZ3120 Investment Theory**  
**(투자론, English-only lecture)**  
SEMESTER 2 2023

**Course Information**

Day and Time: T 10 AM – 12PM/Th 9 AM – 10AM

Location: Business School TBD

Credit: 3

**Instructor Information**

Instructor: Sungjune Pyun

Office Hours: Thursdays after class

Office: TBA

E-Mail: sjpyun.teaching@outlook.com

**Course Description**

This course is an introductory course in investments. The course provides comprehensive coverage of basic concepts, theories, applications, and decision-making rules in financial investment. Topics to be covered include fundamental security analysis on stocks, bonds, options, and futures as well as modern portfolio management. On completion, candidates should be conversant in investment management in preparation for careers in financial analysis and financial planning, investment banking, and corporate finance.

**Prerequisites**

Required: One course in Finance (BIZ2119 or equivalent) and one course in Statistics (STA1001). Statistics review lectures will be provided in a pre-recorded format.

**Usage of Language**

This is an English-only lecture. However, I may provide some terminologies also in Korean. However, those will not be required for exams.

## **Textbooks**

1. Bodie, Zvi, Alex Kane, and Alan Marcus, Investments, 11th edition, McGraw Hill
2. A financial calculator (e.g. Texas Instrument BA II Plus)

## **Final Grades**

The class final grade will be calculated based on a weighted average of the following:

One Quiz	20%
Final Exam	45%
Group Presentation	20%
Class Participation	15%

## **Exam/Quiz (65%)**

It is mandatory that you are present on the exam/quiz dates. If you already know that you will be absent, you should not take this course even if they are excused absences. If you later know that you cannot make it to the exam (such as sickness, military service, etc.), you should inform the instructor immediately. Both the quiz and the final exam will be open book and open notes, restricted to materials that are official (textbook, class notes, homework and homework solutions). Any electronic devices will not be allowed. Financial calculators are strongly recommended, but any other scientific calculator should suffice.

## **Group Presentation (20%)**

Students should form groups to present a topic of their interest (20-30 min per group) in the subject of investments. The topics may include connecting recent or past economic and financial events to investment theory and providing an interpretation, a subject of your interest that is not covered in class but is related to finance. I can provide possible topics for presentation, but you are encouraged to cover something of your own interest. Presentations will happen throughout the second half of the semester.

## **Class Participation (10%)**

Your presence and participation in class are essential for gaining mastery of the material. They mainly consist of the sum of the following. 1) Submission of homework problems, which will only be graded for completeness, 2) volunteering to solve assignment questions in the following class, 3) participating actively in person and online, 4) and attendance. For attendance, you are allowed a total of five hours of absence without any documentation. However, after the sixth hour of absence, you are required to submit valid proof of all absences you made during the semester. So, please keep all the necessary documentation in case you miss a class. Students are responsible for all missed work, regardless of the reason for absence. It is also the absentee's responsibility to get all missing notes or materials.

## **Course Policies:**

- Taking pictures of the whiteboard are discouraged. Please take notes, and ask to wait before we proceed if you need more time. I will be happy to wait for you. Often times, you will have a better assessment of whether you understand a concept or not by taking notes.

- Graded works are nondisputable unless they are obvious errors made by the instructor.
- Please turn off your mobile phone or to silent mode.
- You will be penalized for late submission of the assignments/project.

### **Academic Integrity:**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. Even if you are allowed to work with your classmates, you should give your classmates credit if you worked together. Plagiarism may result in a 'fail' grade, even when you did extremely well in other components.

**Tentative Course Outline (Subject to Change):**

Two pre-recorded lectures on statistics review will be provided. With advanced notice, we will decide not to meet in a total of 3-4 lecture hours later in the semester. The weekly coverage will change as it depends on the progress of the class.

<b>Date</b>	<b>T</b>	<b>Th</b>	<b>Content</b>	<b>Readings</b>
Week 1			Introduction	Ch 1
Week 2			Financial Markets Statistics Review (Pre-recorded)	Ch 2–3
Week 3			Risk and Return	Ch 2, 5
Week 4		PH(9/28)	Portfolio Theory (I)	Ch 6
Week 5	PH(10/3)		Portfolio Theory (II)	Ch 7
Week 6			CAPM & Factor Models	Ch 8-9
Week 7			Quiz (10/17)	
Week 8			Midterm Exam Week	
Week 9			Evidence on Factor Models	Ch 8–10, 13
Week 10			Efficient Market Hypothesis	Ch 11, 13
Week 11			Fixed Income Securities	Ch 14, 15
Week 12			Fixed Income Securities	Ch 16, 23
Week 13			Forecasting the market	
Week 14			Presentations	
Week 15			Review	
Week 16			Final Exam	

PH: Public holiday