

INVESTMENT MANAGEMENT  
FINA - 4320  
*COURSE OUTLINE - FALL 2014*

**INSTRUCTOR**

HITESH DOSHI

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**CLASS SCHEDULE & TIMING**

**CLASS ROOM:** MH 112

**TIME:** MONDAY – 4:00 PM – 5:30 PM

WEDNESDAY – 4:00 PM – 5:30 PM

**OFFICE HOURS:** MW – 1:30 PM – 2:30 PM

**COURSE DESCRIPTION**

This three-credit undergraduate course focuses on introductory financial theories and their real-world financial applications that are useful in investment decision-making process. Students will acquire a solid grasp of modern investment theory and practice. This will include the understanding of the following:

- The institutional environment i.e., type of products traded and the trading mechanism.
- The pricing of each product: fixed income and equity products.
- The trade-off between risk and return in a portfolio consisting of several assets.

The hallmark of modern portfolio theory is a mathematical and statistical approach to these questions. This approach is used by most investment banks, hedge funds and portfolio managers. Part of this course and the exams will therefore be quantitative in nature.

This course is divided into three parts:

Part I – *Elements of Investments*

Part II – *Portfolio Theory*

Part III – *Debt Markets and Fixed-Income Securities*

**PREREQUISITE:** FINA 3332 (Principles of Financial Management), ECON 2304 (Microeconomic Principles), and DISC 3331 (Statistical Analysis for Business Applications I).

### **Recommended Text**

Essentials of Investments, Ninth Edition, by Zvi Bodie, Alex Kane, and Alan J. Marcus (henceforth "BKM"), ISBN 978-0-07-803469-5

### **TENTATIVE COURSE SCHEDULE<sup>1</sup>**

#### *Part I – Elements of Investments*

Week 1	Introduction	BKM: Ch-1
Week 1-2	Asset Classes and Financial Instruments	BKM: Ch-2
Week 3	Securities Market	BKM: Ch-3

#### *Part II – Portfolio Theory*

Week 3-4	Risk and Return	BKM: Ch-5
Week 5-7	Portfolio Theory and Practice	BKM: Ch-5, 6
Week 8-9	Factor Models	BKM: Ch-7
Week 13	Efficient Market Hypothesis and Technical Analysis	BKM: Ch-8, 9

#### *Part III- Debt Securities*

Week 10-12	Debt Markets and Fixed Income Securities	BKM: Ch-10, 11
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*Final Examination: During the regular final exam period*

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<sup>1</sup> Subject to change