



**Course Syllabus**  
**Fall 2024**  
**Dr. Saad Alnahedh**  
**FIN 320 - Principles of Investments**

**Lecture Time and Location:**

**FIN 320/ 01A** : Sun, Tue, Thu      TIME 8:00 – 8:50 AM      Classroom # S| 02 C2 1005  
**FIN 320/ 51** : Sun, Tue, Thu      TIME 9:00 – 9:50 AM      Classroom # S| 02 C2 1005

**Contact Information:**

**Location** : Department of Finance & Financial Institutions – 4<sup>th</sup> Floor - Zone B - Office #1023

**Email** : [s.alnahedh@ku.edu.kw](mailto:s.alnahedh@ku.edu.kw)

**Office Hours** : Tuesdays from 4:00 PM to 5:00 PM  
Sundays and Thursdays from 10:00 AM to 11:00 AM  
or by appointment.

**Course Link** : On MS Teams

**Course TA** : Wadha Alateeqi      **Email:** [wadha.alateeqi@ku.edu.kw](mailto:wadha.alateeqi@ku.edu.kw)

**Tutorial Times** : TBA

**Course Description:**

This course provides a rigorous treatment of the core concepts of investment. The course covers portfolio optimization, concepts used to manage security portfolios and diversification, risk/return tradeoffs, examines the pricing of equity, and analyzes the degree of market efficiency.

**Course Learning Objectives (CLOs)**

Upon successful completion of the course, students will be able to:

1. Understand the different types of valuation models and the assumptions behind them and their applications .
2. Use spreadsheet applications (i.e. Microsoft excel) to create models to value assets.
3. Produce professional quality investment and financial reports.
4. Deliver professional quality presentations.
5. Work effectively in a team setting and have the appropriate interpersonal and leadership skills.

**CLO Mapping to CBA Skill Based Competency Goals<sup>1</sup>**

CLO	Competency Goal			
	Analytical	Communication	Information Technology	Business Ethics
1	I			
2			A	
3		R		
4		R		
5		R		

<sup>1</sup> CBA Competency Goals can be found at the end of this document



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**Type of Emphases:**

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

**Required Material:**

**Textbook:** Jordan, B. D., Miller, T. W., & Dolvin, S. D. (2012). **Fundamentals of investments:** Valuation and management (9<sup>th</sup> ed.). New York: McGraw-Hill Irwin.

**Additional Material:**

- Other material, including course PPT Slides.
- Financial Calculator
- Read “The Intelligent Investor” by Benjamin Graham
- Bursa Academy (<https://academy.boursakuwait.com.kw/Default.aspx>)
  - Private Code: 73638619

**Expectations:** I expect you to attend each class, take notes, and participate in discussions. I expect you to do all assigned work on time and attend the tutorial sessions.

**Homework:** There will be a homework assignment after each chapter we finish. The assignments are meant to cement the information learned in class and to reinforce concepts.

**Project - Bursa Kuwait Report:** The Virtual Trading Report assignment is designed to provide students with hands-on experience in applying investment principles learned in class. By engaging in virtual trading at Bursa Kuwait Academy, students will gain practical insights into portfolio management, trading strategies, and market dynamics. The report's purpose is to help you understand the material, connect the concepts, and expose you to real-world problems and situations. This can be done in a group of no more than 3 students.

**Exams:** There will be two midterms and a final exam. The final exam is comprehensive.

**Attendance:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

[http://www.kuniv.edu/cs/groups/ku/documents/ku\\_content/kuw055940.pdf](http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf)

Class participation is critical to the learning experience. Your participation & attendance will contribute into achieving a better grade.

Attendance will be recorded at the beginning of each class. **If you arrive late to class, or if you leave before class ends, you will be marked absent.** I will allow two absences without having your grade penalized without, so please do not send me messages/emails explaining your personal situation why you could not make the class.

**Cheating and Plagiarism:** I have a zero tolerance policy towards cheating, plagiarism, and academic misconduct. Any student found cheating in this course will receive an F and will be reported to the office of



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the dean. Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

[http://www.kuniv.edu/cs/groups/ku/documents/ku\\_content/kuw055940.pdf](http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf)

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

**Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help or use this webpage [https://owl.purdue.edu/owl/research\\_and\\_citation/apa\\_style/apa\\_formatting\\_and\\_style\\_guide/general\\_format.html](https://owl.purdue.edu/owl/research_and_citation/apa_style/apa_formatting_and_style_guide/general_format.html)

**Grading:** The scores in this course will be the weighted average of the following items:

Weight	Description
10%	Participation, attendance, and class contribution
10%	Weekly Homework
20%	Boursa Kuwait Report
15%	Each Midterm (x2)
40%	Final
100%	TOTAL

**Grade Distribution:**

Grade	Range	Grade	Range
A	≥ 95	C+	≥ 77 and < 80
A-	≥ 90 and < 95	C	≥ 73 and < 77
B+	≥ 87 and < 90	C-	≥ 70 and < 73
B	≥ 83 and < 87	D+	≥ 65 and < 70
B-	≥ 80 and < 83	D	≥ 60 and < 65
		F	< 60

**Course Outline:**

Title	Topics
Investments: Background & Issues	Real Assets vs. Financial Assets • Financial Assets • Financial Markets & the Economy • The Investment Process • Markets Are Competitive • The Players
Asset Classes & Financial Instruments	Stock & Bond Market Indexes <b>(CFA TOPIC)</b>
Risk and Return	Rates of Return • Risk & Risk Premiums • Inflation & Real Rates of Return • Asset Allocation across Risky & Risky-Free Portfolios • Passive Strategies & the Capital Market <b>(CFA TOPIC)</b>
Equity valuation	Valuation by Comparables • Intrinsic Value vs Market Price • Dividend Discount Models • Price-Earnings Ratios • Free Cash Flow Valuation Approaches <b>(CFA TOPIC)</b>



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Efficient Diversification	Diversification and Portfolio Risk • Asset Allocation with Two Risky Assets • The Optimal Risky Portfolio with a Risk-free Asset • Efficient Diversification with Many Risky Assets
Capital asset pricing and arbitrage pricing theory	The Capital Asset Pricing Model • Multifactor Models and the CAPM • The Arbitrage Theory <b>(CFA TOPIC)</b>
The efficient market hypothesis	Random Walks and the Efficient Market • Implications of EMH
Portfolio performance evaluation	Risk-Adjusted Returns • Market Timing
CFA Code of Ethics <b>(CFA TOPIC)</b>	CFA Institute Code of Ethics and Standards of Professional Conduct <i>NOTE: Standards of practice handbook (11th ed.)</i>



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**Course Schedule (tentative and might change without any notice)**

Day	Date	Lecture	Note
Tue	17/9/2024	Chapter 1: A Brief History of Risk and Return	
Thu	19/9/2024	Chapter 1: A Brief History of Risk and Return	
Sun	22/9/2024	Chapter 1: A Brief History of Risk and Return	Create Boursa Account
Tue	24/9/2024	Chapter 19: Global Economic Activity and Industry Analysis	
Thu	26/9/2024	Chapter 19: Global Economic Activity and Industry Analysis	
Sun	29/9/2024	Chapter 19: Global Economic Activity and Industry Analysis	
Tue	1/10/2024	Chapter 2: The Investment Process	
Thu	3/10/2024	Chapter 2: The Investment Process	
Sun	6/10/2024	Chapter 2: The Investment Process	
Tue	8/10/2024	Chapter 4: Mutual Funds and Other Investment Companies	
Thu	10/10/2024	Chapter 4: Mutual Funds and Other Investment Companies	
Sun	13/10/2024	Chapter 4: Mutual Funds and Other Investment Companies	
Tue	15/10/2024	Chapter 5: The Stock Market	
Thu	17/10/2024	<b>Midterm Review</b>	
Sun	20/10/2024	<b>Midterm 1 (Covers chapters 1, 19, 2, and 4)</b>	Tentative Date
Tue	22/10/2024	Chapter 5: The Stock Market	
Thu	24/10/2024	Chapter 5: The Stock Market	
Sun	27/10/2024	Chapter 6: Common Stock Valuation	
Tue	29/10/2024	Chapter 6: Common Stock Valuation	
Thu	31/10/2024	Chapter 6: Common Stock Valuation	
Sun	3/11/2024	Chapter 6: Common Stock Valuation	
Tue	5/11/2024	Chapter 7: Stock Price Behavior and Market Efficiency	
Thu	7/11/2024	Chapter 7: Stock Price Behavior and Market Efficiency	
Sun	10/11/2024	Chapter 7: Stock Price Behavior and Market Efficiency	
Tue	12/11/2024	Chapter 11: Diversification and Risky Asset Allocation	
Thu	14/11/2024	Chapter 11: Diversification and Risky Asset Allocation	
Sun	17/11/2024	Chapter 11: Diversification and Risky Asset Allocation	
Tue	19/11/2024	Chapter 11: Diversification and Risky Asset Allocation	
Thu	21/11/2024	<b>Midterm 2 Review</b>	
Sun	24/11/2024	<b>Midterm 2 (Covers chapters 5, 6, 7, and 11)</b>	Tentative Date
Tue	26/11/2024	Chapter 12: Return, Risk, and the Security Market Line	
Thu	28/11/2024	Chapter 12: Return, Risk, and the Security Market Line	
Sun	1/12/2024	Chapter 12: Return, Risk, and the Security Market Line	
Tue	3/12/2024	Chapter 13: Performance Evaluation and Risk Management	
Thu	5/12/2024	Chapter 13: Performance Evaluation and Risk Management	
Sun	8/12/2024	Chapter 13: Performance Evaluation and Risk Management	
Tue	10/12/2024	Chapter 17: Projecting Cash Flow and Earnings	
Thu	12/12/2024	Chapter 17: Projecting Cash Flow and Earnings	
Sun	15/12/2024	Chapter 17: Projecting Cash Flow and Earnings	Report Submission
Tue	17/12/2024	Presentations	
Thu	19/12/2024	Presentations	
Sun	22/12/2024	<b>Final Exam Review</b>	
Mon	30/12/2024	<b>Final Exam (11am-1pm)</b>	Place TBA



## Appendix

### **Undergraduate Program Competency Goals:**

**1. Analytical Competency:** A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

#### **Student Learning Objectives:**

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

**2. Communication Competency:** A CBA graduate will be able to communicate effectively in a wide variety of business settings.

#### **Student Learning Objectives:**

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

**3. Information Technology Competency:** A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

#### **Student Learning Objectives:**

- 3.1. Use data-processing tools to analyze or solve business problems.

**4. Ethical Competency:** A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

#### **Student Learning Objectives:**

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

**5. General Business Knowledge:** A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

#### **Student Learning Objectives:**

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).