**Course Syllabus**

**Fall 2024**

**Sarah Khalaf**

**MBA 523 – Investment Analysis and Portfolio Management**

**Lecture Time and Location**

Wednesday at 5:00 PM to 7:50 PM. Location in Area C3 – Room 1005

**Contact Information**

**Location** : Department of Finance & Financial Institutions – Area B – 4th Floor

**Email** : sarah.khalaf@ku.edu.kw

**Office** : 4th Floor B - 1035

**Office Hours** : W 4:00 PM – 4:50 PM or by appointment

**Social Media** : N/A

**Online Location** : Microsoft Teams

**Course Description**

This course provides a rigorous treatment of the core concepts of investments for finance majors. 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 Outcomes**

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[[1]](#footnote-1)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CLO | Competency Goal | | | | |
| Decision-making | Communication | Leadership | Business Ethics |
| 1 | A |  |  |  |
| 2 | A |  |  |  |
| 3 |  | R | R |  |
| 4 |  | R |  |  |
| 5 |  | R | R |  |

# 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** : Bodie, Z., Kane, A., & Marcus, A. J. (2021). **Investments** (13th ed.). New York: McGraw-Hill LLC.

*(Can be bought online on McGraw Hill or on Kindle via Amazon)*

**Additional Material** : Cases from Harvard Business Publishing Coursepack [https://hbsp.harvard.edu/import/1191579]

**Additional Material** : PPT Slides / Financial Calculator

**Course Requirements and Policies**

**Class Preparation – Readings and Practice Problems:** Each lecture will have chapter readings that are encouraged before the lecture itself. Not all chapters will be covered in full. I will outline which sections apply for each lecture in the course schedule and keep this up to date as we move through the course. In this way, you will see the material twice and it will help deepen your grasp of the topics. Additionally, I will post practice problems for each chapter, along with their solutions in each set of Lecture Slides on Moodle. You are encouraged to solve these problems before we go over them in class.

**Final Exam:**

There will be **one** in-class examination that is 120 minutes. The final will count towards 40% of your final grade. Use the in-class examples, cases, along with the practice problems for each chapter to prepare for the examination. We may solve practice problems in class before the examination.

Instructions will be discussed prior to the exam. Failure to adhere to the instructions may result in loss of points.

**Cases:** There are a total of 2 case studies. Cases will be completed individually or in a team of 2 students. For all cases, you will be required to read and analyze the material and prepare a professional document to submit to the instructor. Furthermore, students should be prepared to discuss their analysis and findings of each case with the class. These discussions will count towards the participation and case grades. The cases can be purchased by students directly from the Harvard Business Publishing Coursepack link available above.

**Project:** There will be a project done in groups, or alone if a student choses to do so. The project involves an investment simulation using the Investopedia platform in which you will invest money and manage as a portfolio in the US stock market. Each group will provide update reports and present their results to the class. A separate handout with instructions and requirements will be provided.

The project will help you understand the material and tie the concepts of class, while exposing you to real-world applications and situations.

**Attendance and Participation:** 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>

This course has a significant seminar component and class participation is critical to the learning experience. Participation will be assessed in each class period. Your class participation and attendance will both contribute to your score of in-class performance. You may miss 1 class without impacting your attendance and participation grade. Every class missed after that will negatively impact your grade. I do not distinguish between excused and unexcused absences. If you miss 4 or more classes, you will receive a zero for your attendance and participation grade.

**Cheating and Plagiarism:** 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>

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.

**Grading:**

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

|  |  |
| --- | --- |
| **Weight** | **Description** |
| 10% | Attendance and Participation |
| 30% | Cases (x2) |
| 20% | Project and Presentation |
| 40% | Final Exam |
| 100% | TOTAL |

**Grade Distribution:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Grade** | **Range** | **Grade** | **Range** | **Grade** | **Range** |
| A | ≥ 95 | C+ | ≥ 77 and < 80 | F | < 60 |
| 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 |  |  |

**Course Outline:**

|  |  |
| --- | --- |
| **Title** | **Topics** |
| Introduction | The investment environment • Asset Classes and Financial Instruments • How securities are traded • Mutual Funds and other investment companies  **Chapters: 1, 2, 3, 4** |
| Portfolio Theory and Practice | Risk, Return, and the Historical Record • Capital allocation to risky assets • Efficient Diversification • Macroeconomic and industry analysis  **Chapters: 5, 6, 7** |
| Equilibrium in Capital Markets | Capital asset pricing model • Arbitrage pricing theory • Efficient market hypothesis • Behavioral finance  **Chapters: 9, 10, 11, 12** |
| Security Analysis | Equity valuation models • Derivatives  **Chapters: 18, 20, 22** |
| Applied Portfolio Management | Portfolio performance evaluation • International diversification • Alternative assets  **Chapters: 24, 25, 26** |

**Course Schedule –** *Subject to Change*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Day** | **Month** | **Lecture** | **Chapters** | **Slides** | **Due** |
| 18 | Sep | Introduction | 1,2,3,4 | 1 |  |
| 25 | Sep | Introduction | 1,2,3,4 | 1 |  |
| 2 | Oct | Portfolio Theory and Practice | 5,6,7 | 2 | **Project Sign up** |
| 9 | Oct | Portfolio Theory and Practice | 5,6,7 | 2 |  |
| 16 | Oct | Equilibrium in Capital Markets | 9,10,11,12 | 3 | **Memo #1** |
| 23 | Oct | Equilibrium in Capital Markets | 9,10,11,12 | 3 |  |
| 30 | Oct | Case #1 |  |  |  |
| 6 | Nov | Security Analysis | 18,20,22 | 4 |  |
| 13 | Nov | Security Analysis | 18,20,22 | 4 |  |
| 20 | Nov | Case #2 |  |  |  |
| 27 | Nov | Applied Portfolio Management | 24,25,26 | 5 |  |
| 4 | Dec | Applied Portfolio Management | 24,25,26 | 5 |  |
| 11 | Dec | *Presentations* |  |  | **Memo #2** |
| 18 | Dec | **FINAL EXAM** | | | |

**Appendix**

# CBA Competency Goals

**PLG1: Decision-Making**

Objectives:

* Apply advanced quantitative and qualitative methods to solve business problems.
* Recognize the implications of business decisions, evaluate different proposals based on available facts, and make well-supported business decisions.

**PLG2: Leadership**

Objectives:

* Analyze different leadership styles and assess the effectiveness of other leaders.
* Demonstrate knowledge of relevant leadership situational factors.

**PLG3: Ethical Reasoning**

Objectives:

* Evaluate business decisions within an ethical framework.

**PLG4: Oral Communication**

Objectives:

* Deliver clear, concise, and persuasive presentations.

**PLG5: Written Communication**

Objectives:

* Write clear, concise, and persuasive business documents.

1. CBA Competency Goals can be found at the end of this document [↑](#footnote-ref-1)