



Kuwait University
College of Business Administration
Department of Finance & Financial Institutions



Course Syllabus
Fall 2025
Sarah Khalaf
FIN 320 – Principles of Investment

Lecture Time and Location

Section 02 : S/T/Th at 11:00 AM to 11:50 AM. Location in Area DG – Room 1003

Section 01 : S/T/Th at 12:00 PM to 12:50 PM. Location in Area DG – Room 1003

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 : S/T 1:00 PM – 1:50 PM or by appointment

Social Media : N/A

Online Location : Microsoft Teams

Teaching Assistant

Name :

Location : 4th Floor Area B

Online Location : ..

Email :

Office Hours :

Tutorial :

Online Location :

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 Goals¹

| CLO | Competency Goal | | | |
|-----|-----------------|---------------|------------------------|-----------------|
| | Analytical | Communication | Information Technology | Business Ethics |
| 1 | I | | | |
| 2 | | | A | |
| 3 | | R | | |
| 4 | | R | | |
| 5 | | 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 : Jordan, B. D., Miller, T. W., & Dolvin, S. D. (2012). **Fundamentals of investments: Valuation and management** (8th ed.). New York: McGraw-Hill Irwin.
(Can be bought online on Kindle via Amazon)

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

E-Learning System: Moodle and Microsoft Teams

Course Requirements and Policies

Class Preparation – Readings and Practice Problems: Each lecture will have a chapter reading that is encouraged before the lecture itself. 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.

In-Class Tests:

Quizzes

There will be **five** in-class quizzes that are 20 minutes each. You may use a cheat sheet for all quizzes. Only four quizzes will count towards 20% of your final grade (each quiz is 5%). The quizzes will be held in class. Your lowest quiz grade will be dropped. Use the in-class examples, along with the practice problems for each chapter to prepare for quizzes. Missing a quiz will result in a zero. There will be no

¹ CBA Competency Goals can be found at the end of this document



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make-up quizzes. If you have an excused absence on the day of a quiz, it will be the quiz that is dropped.

Midterm

There will be **one** in-class examination that is 50 minutes. The midterm will count towards 25% of your final grade. Use the in class examples, quizzes, along with the practice problems for each chapter as a way to prepare for the examination. We may solve practice problems in class before the examination.

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

Project: There will be an individual project done in class. The project involves an investment simulation in which you will invest money and manage a portfolio in the US stock market. An excel sheet to track performance will be provided and we will be completing the project together during class time in the *Financial Trading Center*. Each student will hand in Parts 1 and 2 of the project on the specified dates. 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.

The project will constitute 10% of your final grade. The grade will be determined by your attendance, completion of the in-class worksheets, and your portfolio performance. The exact breakdown is available on the project handout.

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 3 classes 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 10 or more classes, you will receive a zero for your attendance and participation grade. I will take attendance 5 minutes after class starts. If you arrive late to class, you will be marked absent.

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.



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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 |
|--------|------------------------------|
| 5% | Attendance and Participation |
| 10% | Project |
| 20% | Quizzes (x4) |
| 25% | Midterm |
| 40% | Final Exam |
| 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 |
|---|--|
| 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 Chapters: 1, 2 |
| Asset Classes and Financial Instruments CFA Topic | Interest Bearing Securities • Equities • Derivatives • Mutual Funds • Stock & Bond Market Indexes • Stock Markets Chapters: 3, 4, 5 |
| Equity Valuation CFA Topic | Valuation by Comparables • Intrinsic Value vs Market Price • Dividend Discount Models • Price-Earnings Ratios • Free Cash Flow Valuation Chapters: 6 |
| Market Efficiency, Diversification, and the Capital Asset Pricing Model and APT | Random Walks and the Efficient Market • Implications of EMH • 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 • The Capital Asset Pricing Model • Multifactor Models and the CAPM • The Arbitrage Theory Chapters: 7, 11, 12 |
| Portfolio performance evaluation | Risk-Adjusted Returns • Market Timing Chapters: 13,19 |



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Course Schedule – *Subject to Change*

| Day | Month | Lecture | Book Chapter # | Slides # | Quiz | Due | Practice Problems # |
|-----|-------|---|----------------|----------|--------|--------|---------------------|
| 14 | Sep | Introduction and Syllabus | | | | | |
| 16 | Sep | A Brief History of Risk and Return | 1 | 1 | | | 1 |
| 18 | Sep | A Brief History of Risk and Return | 1 | 1 | | | 1 |
| 21 | Sep | A Brief History of Risk and Return | 1 | 1 | | | 1 |
| 23 | Sep | The Investment Process | 2 | 2 | | | 2 |
| 25 | Sep | The Investment Process | 2 | 2 | | | 2 |
| 28 | Sep | The Investment Process | 2 | 2 | | | 2 |
| 30 | Sep | The Investment Process | 2 | 2 | Quiz 1 | | 2 |
| 2 | Oct | Overview of Security Types | 3 | 3 | | | 3 |
| 5 | Oct | Overview of Security Types | 3 | 3 | | | 3 |
| 7 | Oct | Overview of Security Types | 3 | 3 | | | 3 |
| 9 | Oct | Mutual Funds and Other Investment Companies | 4 | 4 | | | 4 |
| 12 | Oct | Mutual Funds and Other Investment Companies | 4 | 4 | Quiz 2 | | 4 |
| 14 | Oct | Mutual Funds and Other Investment Companies | 4 | 4 | | | 4 |
| 16 | Oct | The Stock Market | 5 | 5 | | | 5 |
| 19 | Oct | The Stock Market | 5 | 5 | | | 5 |
| 21 | Oct | Midterm Review | | | | | |
| 23 | Oct | MIDTERM | | | | | |
| 26 | Oct | In Class Project: Financial Trading Center | | | | | |
| 28 | Oct | In Class Project: Financial Trading Center | | | | Part 1 | |
| 30 | Oct | Common Stock Valuation | 6 | 6 | | | 6 |
| 2 | Nov | Common Stock Valuation | 6 | 6 | | | 6 |
| 4 | Nov | Common Stock Valuation | 6 | 6 | | | 6 |
| 6 | Nov | Common Stock Valuation | 6 | 6 | | | 6 |
| 9 | Nov | Stock Price Behavior and Market Efficiency | 7 | 7 | Quiz 3 | | 7 |
| 11 | Nov | Stock Price Behavior and Market Efficiency | 7 | 7 | | | 7 |
| 13 | Nov | Bond Prices and Yields | 10 | 10 | | | 10 |
| 16 | Nov | Bond Prices and Yields | 10 | 10 | | | 10 |
| 18 | Nov | Diversification and Risky Asset Allocation | 11 | 11 | | | 11 |
| 20 | Nov | Diversification and Risky Asset Allocation | 11 | 11 | | | 11 |
| 23 | Nov | Diversification and Risky Asset Allocation | 11 | 11 | | | 11 |
| 25 | Nov | Diversification and Risky Asset Allocation | 11 | 11 | Quiz 4 | | 11 |
| 27 | Nov | In Class Project: Financial Trading Center | | | | Part 2 | |
| 30 | Nov | Return, Risk, and the Security Market Line | 12 | 12 | | | 12 |
| 2 | Dec | Return, Risk, and the Security Market Line | 12 | 12 | | | 12 |
| 4 | Dec | Return, Risk, and the Security Market Line | 12 | 12 | | | 12 |
| 7 | Dec | Return, Risk, and the Security Market Line | 12 | 12 | | | 12 |
| 9 | Dec | Return, Risk, and the Security Market Line | 12 | 12 | | | 12 |
| 11 | Dec | Performance Evaluation and Risk Management | 13 | 13 | Quiz 5 | | 13 |
| 14 | Dec | Performance Evaluation and Risk Management | 13 | 13 | | | 13 |
| 16 | Dec | In Class Project: Financial Trading Center | | | | Part 3 | |
| 18 | Dec | Final Exam Review | | | | | |
| 21 | Dec | Final Exam Review | | | | | |
| 31 | Dec | FINAL EXAM 2 PM - 4 PM | | | | | |



Appendix

CBA 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).