

Preliminary Syllabus
INVESTMENTS
BEM 104
Spring Quarter 2019
Tuesday & Thursday 1:00-2:25 p.m.

Text

Investments, 11th Edition, by
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Instructor:

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Office hours:

Thursday 3:00-5:00 p.m.

This course introduces the foundations required for becoming a Chartered Financial Analyst (or CFA), which is the internationally recognized professional certification for security analysts, portfolio managers and financial advisors. There are 154,000 CFA charter holders in 165 countries and about 151 local member societies. A CFA charter holder candidate must pass three successive exams and have at least four years of professional finance experience. The topics in this course and in the assigned text are linked to questions on the exams.

The focus of BEM 104 is on investments in organized and highly competitive financial markets. It does not cover topics such as psychology (behavioral finance), corporate financial decisions, venture capital, risk management and other important areas for which Caltech offers specialized courses. Caltech offers more intensive courses on some topics that will be only introduced here, such as options, futures, and international financial markets.

If you know nothing about financial markets and investments, read chapters 1-4 before the quarter begins.

Grading: Will be determined after the class starts with the consent of the registered students.

Schedule

Dates	Topics	Text Chapters
April 2 & 4	Facts about Risk and Return; Portfolio Choice	5 & 6
April 9 & 11	Portfolio Optimization: General and with Indexes	7 & 8
April 16 & 18	The CAPM and the APT	9 & 10
April 23 & 25	Efficient Markets; Theory and Evidence	11 & 13
April 30 & May 2	Bonds: Yields, Duration and the Term Structure of Interest Rates	14-16
May 7 & 9	Security Analysis	18 & 19
May 14 & 16	Options	20 & 21
May 21 & 23	Futures and Swaps	22 & 23
May 28 & 30	Portfolio Performance Evaluation; International Investing	24 & 25