DOKUZ EYLUL UNIVERSITY

FACULTY OF BUSINESS ADMINISTRATION OFFICE OF THE DEAN

COURSE / MODULE / BLOCK DETAILS

ACADEMIC YEAR / SEMESTER

Offered by: İşletme			
Course Title: INVESTMENT ANALYSIS			Course Org. Title: INVESTMENT ANALYSIS
Course Level: Lisans			Course Code: FIN 4233
Language of Instruction: İngilizce			Form Submitting/Renewal Date 17/09/2019
Weekly Course Hours: 3			Course Coordinator: DR.ÖĞR.ÜYESİ EFE ÇAĞLAR ÇAĞLI
Theory	Application	Laboratory	National Credit: 3
3	0	0	ECTS Credit: 5

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Offered to: Name of the Department:	Course Status: Compulsory/Elective
Economics	Elective Course
BUSINESS ADMINISTRATION	Elective Course

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Instructor/s:
DR.ÖĞR.ÜYESİ EFE ÇAĞLAR

Course Objective:

This course aims to introduce the students to the investment process, risk and return calculations, investment in common stock, bond, derivatives and hybrid securities, efficient market hypothesis, behavioral finance, modern portfolio theory and management, macroeconomic and industry analysis, and equity valuation models.

Learning Outcomes:

1	Describe the investment environment pointing out types of financial markets and instruments, and sources of financial information.
2	Select forwards, futures, options, warrants and convertibles in order to use them in investing activities.
3	Employ basic portfolio management tools and strategies in order to monitor and modify portfolios.
4	Calculate the value of basic securities pointing out the determinants of value and their relationships.
5	Appraise risk and return characteristics of investment assets using spreadsheet applications in order to select them for investment.
6	Construct an optimal two-asset portfolio, applying portfolio and capital market theories using spreadsheet applications.
7	Differentiate the basics of the efficient market hypothesis and behavioral finance discipline.
8	Conduct macroeconomic and industry analysis and apply equity valuation models.

Learning and Teaching Strategies:

1. Lecture
2. Problem Solving

During lectures, the theory will be explained with a comprehensive example.

3. Portfolio Game (Marketwatch)

The portfolio game played within a 10 week period will enable the students to apply what they learn in class with real time data.

The students will be competing at a virtual stock exchange game. They will form groups of 2 and each group is obligated to carry out a transaction at least once in two weeks. They will submit 2 stock reports, one before the mid-term exam and the other one before the final exam. In this report they will explain their transactions and the strategies they followed. They evaluate their performance and comment on what they have learned.

4. Presentation (Investor's World)

The students are also responsible for reviewing The Wall Street Journal, Financial

Times, Dünya, Finansal Forum and daily newspapers in order to maintain some awareness of current financial events in the world and Turkey and a group of 3-4 students will submit a short paper on the topic of the week from these newspapers to discuss in class each week. They will also present the topic in 5-10 minutes.
5. Weekly Assignments

Assessment Methods:

Name	Code	Calculation formula
Midterm	MT	
TermProject	TP	
Presentation	PRS	
Final	FN	
BNS	BNS	MT * 030 + TP * 020 + PRS * 010 + FN * 040
Bütünleme Notu	BUT	
Bütünleme Sonu Başarı Notu	BBN	MT * 030 + TP * 020 + PRS * 010 + BUT * 040

Further Notes about Assessment Methods:

Assessment Criteria:

1. Different types of financial markets and instruments will be classified.
2. Different indexes as sources of information will be searched and classified based on how they are calculated.
3. Information on financial instruments (stocks, bonds, futures, options, warrants and convertibles) as presented in the financial press will be used to explain their characteristics.
4. Futures will be used for a long and a short hedge.
5. Options pay offs and values will be calculated in relation to their holders and writers.
6. Stocks and bonds will be valued and an investment decision will be reached.
7. Effect of interest rates on bond valuation will assessed using duration.
8. An asset will be chosen among alternative assets by calculating risk and return.
9. An asset will be classified as undervalued or overvalued based on the capital asset pricing model.
10. An optimal two asset portfolio will be constructed by using the correlation

coefficient and its risk and return will be calculated.
11. Markowitz approach to investing and the efficient frontier will be explained.
12. Portfolios will be monitored and modified using the Treynor and Sharp indexes.

Textbook(s)/References/Materials:

1. Bodie, Z., Kane, A., Marcus, A.J., Investments, 11th Edition, 2018
2. CIVELEK, M. A. & DURUKAN M. B., (2011), Investments, 3rd ed., EFIL Publications, Ankara.
3. Borsa İstanbul A.Ş., Yayınlar, (https://www.borsaistanbul.com/sayfa/29)

Course Policies and Rules:

1. It is obligatory to attend at least 70% of the classes.
2. Violations of Plagiarism of any kind will result in disciplinary steps being taken.
3. The instructor reserves the right to give quizzes at any time. The grades from the quizzes will be incorporated into the mid-term and final exam grades.

Contact Details for the Instructor:

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Dr. Efe Çağlar ÇAĞLI
e-mail: efe.cagli@deu.edu.tr
web: https://sites.google.com/site/eccagli/

Office Hours:

By appointment - E-mail

Course Outline:

Week	Topics:	Notes:

1	The Investment Environment & Sources of Information	
2	Asset Classes and Financial Instruments	
3	Risk & Return	
4	Risk & Return	
5	Capital Allocation to Risky Assets	
6	Optimal Risky Portfolios	Portfolio Assignment / 1st report of Marketwatch
7	Asset Pricing	
8	The Efficient Market Hypothesis	
9	Behavioral Finance	
10	Macroeconomic and Industry Analysis	
11	Equity Valuation Models	
12	Options, Futures, and Other Derivatives	2nd report of Marketwatch

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ECTS Table

Course Activities	Number	Duration (hour)	Total Work Load (hour)
In Class Activities			
Lectures	12	3	36

Exams			
Midterm	1	2	2
Final	1	2	2

Out Class activities			
Preparations before/after weekly lectures	10	2	20
Preparation for midterm exam	1	10	10
Preparation for final exam	1	20	20
Preparation for quiz etc.	2	3	6
Preparing assignments	2	3	6
Preparing presentations	1	3	3
Field study	10	2	20
Total Work Load (hour)			125
ECTS Credits of the Course= Total Work Load (hour) / 25			5