

## THE EDUCATION UNIVERSITY OF HONG KONG

### Course Outline

#### Part I

<b>Programme Title</b>	<b>: Master of Arts in Personal Finance Education</b>
<b>Programme QF Level</b>	<b>: 6</b>
<b>Course Title</b>	<b>: Investment Analysis and Portfolio Management for Personal Needs</b>
<b>Course Code</b>	<b>: BUS6038</b>
<b>Department</b>	<b>: Social Sciences and Policy Studies</b>
<b>Credit Points</b>	<b>: 3</b>
<b>Contact Hours</b>	<b>: 39</b>
<b>Pre-requisite(s)</b>	<b>: Quantitative Analysis for Financial Studies</b>
<b>Medium of Instruction</b>	<b>: English</b>
<b>Course Level</b>	<b>: 6</b>

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#### Part II

The University's Graduate Attributes and seven Generic Intended Learning Outcomes (GILOs) represent the attributes of ideal EdUHK graduates and their expected qualities respectively. Learning outcomes work coherently at the University (GILOs), programme (Programme Intended Learning Outcomes) and course (Course Intended Learning Outcomes) levels to achieve the goal of nurturing participants with important graduate attributes.

In gist, the Graduate Attributes for Sub-degree, Undergraduate, Taught Postgraduate, Professional Doctorate and Research Postgraduate students consist of the following three domains (i.e. in short "PEER & I"):

- Professional Excellence;
- Ethical Responsibility; &
- Innovation.

The descriptors under these three domains are different for the three groups of participants in order to reflect the respective level of Graduate Attributes.

The seven GILOs are:

1. Problem Solving Skills
2. Critical Thinking Skills
3. Creative Thinking Skills
- 4a. Oral Communication Skills
- 4b. Written Communication Skills
5. Social Interaction Skills
6. Ethical Decision Making
7. Global Perspectives

### 1. Course Synopsis

The course will focus on the application of financial theory to the issues and problems of investment management. Topics will include portfolio optimization and asset allocation, the basics of bond and derivative pricing, the theory of capital asset pricing models and their implications for investments, as well as evaluating investment management performance. Software such as PORTimizer™ will be used to demonstrate how to determine the optimal portfolio and to assess market efficiency. The main objective of this course is to provide participants with a framework for making financial decisions related to investments.

### 2. Course Intended Learning Outcomes (CILOs)

*Upon completion of this course, participants will be able to:*

- CILO<sub>1</sub> critically examine diverse investment vehicles for individuals available in the market;
- CILO<sub>2</sub> compare and contrast alternative investment strategies for fulfilling different personal needs;
- CILO<sub>3</sub> justify and determine the allocation of financial assets by forming and managing investment portfolio;
- CILO<sub>4</sub> evaluate portfolios performance that contain stocks, bonds, futures and option contracts, and mutual funds.

### 3. Content, CILOs and Teaching & Learning Activities

Course Content	CILOs	Suggested Teaching & Learning Activities
Introduction to investments, investment alternatives, indirect investing, securities markets and market indexes, how securities are traded.	CILO <sub>1</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions
The returns and risks from investing. Portfolio theory. Portfolio selection and asset allocation. Capital market theory and asset pricing models.	CILO <sub>3,4</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions; lab session
Common stock valuation. Analysis and strategy of common stocks. Market efficiency theory.	CILO <sub>1,2</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions; lab session
Different approaches in security analysis.	CILO <sub>2,3,4</sub>	Lecture;

Economy/market analysis. Sector/industry analysis. Company analysis. Technical Analysis.		lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions
Functions of derivative securities. Options. Futures Contracts.	<i>CILO</i> <sub>1,2</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions
Portfolio management for personal needs.	<i>CILO</i> <sub>2,3,4</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions
Managing personal financial assets. Evaluation of investment performance.	<i>CILO</i> <sub>2,3,4</sub>	Lecture; lecturer-led questions and answers (Q&A); problem-based learning activities; group discussions

#### 4. Assessment

Assessment Tasks	Weighting (%)	CILO
(a) Final Examination A 3-hour examination will be conducted at the end of the course.	50%	<i>CILO</i> <sub>1,2,3,4</sub>
(b) Group Project Participants will form small groups and prepare a project report on a selected topic provided by the course instructor (2,000-2,500 words). Each participant is required to submit an individual reflection on the topic (about 500 words) to detail their understanding and reflection on investment and portfolio management.	30%	<i>CILO</i> <sub>1,2,3,4</sub>
(c) Individual Assignments Participants will be given individual assignment(s) on investment analysis and portfolio management during the course	20%	<i>CILO</i> <sub>1,2,3,4</sub>

## 5. Required Text(s)

Bodie, Z., Kane, A., Marcus, A., 2021. *Investments* (12<sup>th</sup> edition). New York: McGraw-Hill Education.

## 6. Recommended Readings

Bodie, Z., Kane, A. & Marcus A.J. (2017). *Essentials of Investments (10th ed.)*. Irwin: McGraw-Hill.

Bowles S. (2006). *Microeconomics: Behavior, Institutions, and Evolution*. Princeton, NJ: Princeton University Press.

Bulkowski, Thomas, N. (2012). *Fundamental Analysis and Position Trading: Evolution of a Trader*. Wiley.

Grinold, R.C., Kahn, R. N. (2000). *Active Portfolio Management A Quantitative Approach for Providing Superior Returns and Controlling Risk (2<sup>nd</sup> ed.)*. McGraw-Hill.

Guerard, J.B., Markowitz, H., Xu, G. (2015). Earnings forecasting in a global stock selection model and efficient portfolio construction and management. *International Journal of Forecasting* 31: 550–560.

Markowitz, H., Dijk, E. (2008). Risk-return analysis. *Handbook of Asset and Liability Management 1: 139–197*.

Peris, D. (2018). *Getting Back to Business: Why Modern Portfolio Theory Fails Investors and How You Can Bring Common Sense to Your Portfolio*. New York: McGraw-Hill Education.

Pettijohn, J. B., Ragan, G. A., & Ragan, K. P. (2003). On-line investment analysis and portfolio management: using learning outcome statements to design projects. *Journal of Education for Business*, 78(4), 185-190.

Shinzato, T. (2018). Maximizing and minimizing investment concentration with constraints of budget and investment risk, *Physica A*, 490: 986–993.

Way R., Lafond F., Lillo F., et al. (2019). Wright meets Markowitz: How standard portfolio theory changes when assets are technologies following experience curves. *Journal of Economic Dynamic Control*, 101: 211–238.

## 7. Related Web Resources

Hong Kong Investment Funds Association

<https://www.hkifa.org.hk>

Hong Kong Monetary Authority

<https://www.hkma.gov.hk>

The Investment Association

<https://www.theia.org>

International Finance Corporation

<https://www.ifc.org>

Hong Kong Society of Financial Analysts

<http://www.hksfa.org>

Investor and Financial Education Council

<https://www.ifec.org.hk>

InvestHK

<http://www.investhk.gov.hk>

## 8. Related Journals

*International Journal of Portfolio Analysis and Management*

*Journal of Portfolio Management*

*Journal of Investment Strategies*

*Journal of Finance and Investment Strategies*  
*Hong Kong Economic Journal*  
*Financial Times*

**9. Academic Honesty**

The University upholds the principles of honesty in all areas of academic work. We expect our students to carry out all academic activities honestly and in good faith. Please refer to the Policy on Academic Honesty, Responsibility and Integrity (<https://www.eduhk.hk/re/uploads/docs/00000000016336798924548BbN5>). Students should familiarize themselves with the Policy.

**10. Others**

Nil

*Updated Dec 2021*