Fin 521
Investment I
Module 3, 2025 Spring

Course Information

Instructor: Lingxiao Zhao

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Office Hour: Monday, Wednesday & Thursday

Teaching Assistant: TBD

Classes:
Lectures:
Venue: PHBS Building

Course Website:

Please make sure to enrol to the website online ASAP in order to access to course materials. Lecture notes will be posted the night before the class. You are supposed to download and bring your own copy.

1. Course Description

1.1 Context

Course overview: This course offers the financial theory and quantitative tools necessary for understanding how stock prices are determined, and how financial assets are used for investment decisions. Topics covered include modelling the relation between risk and return, optimal portfolio selection based on mean–variance analysis, asset pricing models, money management and more. The focus is mainly on common stocks, but fixed income securities (bonds) will be analysed briefly. After the class, students are expected to obtain an in-depth understanding of some of the major empirical issues in investment. Also, students are required to learn facts, theories, and the associated statistical tools to analyse financial data with R/Matlab/Python.

Prerequisites: Financial Market (F540) or equivalent

1.2 Textbooks and Reading Materials
Bodie, Zvi, Alex Kane, and Alan Marcus, Investments, McGraw Hill, 10th Edition,

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Yes
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes
	2.2. Students will be able to apply leadership theories and related skills.	NA
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes
	3.2. Our students will practice ethics in the duration of the program.	Yes
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes
	5.3. Our students will demonstrate competency in critical thinking.	Yes

2.2 Course specific objectives

2.3 Assessment/Grading Details

35 points: Midterm exam

45 points: Final exam

10 points: Homework

10 points: Attendance

Class participating count is done by random quiz in class, each time of missing the call costs 3 participating points.

Personal reasons, other school business, or family emergency will not be considered as excuses for missing class. For illness, you need to provide doctor's prescription.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty

is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

AI tools requirements：
Using AI tools to complete assignments or assessments without the approval of the course instructor will be regarded as an act of academic dishonesty. Depending on the severity of the situation, penalties will be implemented in accordance with the provisions of the Peking University Graduate Student Handbook.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

Week1: Introduction

Week2: Bonds

Week3: Asset Allocation

Week4-5: Portfolio Choice

Week6-8: CAPM, APT

Week9: Advanced Topics

Note: both the class design and the time of the presentation of class project is attentive; I might change the schedule time

4. Miscellaneous