

American University – Central Asia
Business Administration Department
Syllabus for Investment Portfolio Management
Spring Semester 2015

I. General Information

Course ID/number: FIN-450.1

Credits: 3

Prerequisites: FIN 305 “Intro to Finance”

Schedule:

- Lectures: Tuesday, 14.30, classroom 229
- Seminars: Thursday, 14.30, classroom 229

Instructor: Jean-Baptiste Jault, Master in Wealth Management

Contact information: E-mail: jb.jault@gmail.com

II. Course Description

The purpose of this academic course is to study the key dimensions of Finance, financial instruments and contemporary methods of organizing and controlling public and international finance.

The concepts of Finance, financial system and markets, including its organizing, administration, analysis, and control have played a vital role in responsiveness of financial performance of any companies, helping them to gain financial sustainability in emerging financial marketplace. The application process of Financial Management uncovered significant opportunities for improving efficiency of financial performance due to introducing of complex set of Financial Management mechanisms, and Financial Analysis techniques. The evaluation of current condition of Finance, its organizing, managing, planning and forecasting is highly important throughout all levels of consideration, including the micro-, and macro-levels on both domestic and int'l financial markets.

The recognition of actually received effects from Financial Analysis of Corporate Finance reinforced the needs of certain enterprise to continuous improving of business performance in a certain marketplace. The investment opportunities will be opened for entities and government to reach their specified needs in growing of Corporate and Public Finance accordingly.

This academic course will acquaint the students with theoretical fundamentals of planning, organizing and administration of Finance on different financial markets due to core financial instruments by various financial institutions. The studying of basic business applications for efficient financial performance of bank and non-bank financial institutions has taken a new importance for students to be specialized in Finance Business Administration.

Considering academic course includes three basic sections, including the Financial Markets and Institutions, Investments and Financial Management.

III. Course Organization

Classes will be divided in lectures and seminar. All along the semester students have to prepare a virtual portfolio and to manage it. The purpose of this task is to help students to have a better idea of the difficulties to manage a portfolio. For each seminar students should have a presentation ready to explain why they made changes in their portfolio or why they did not change anything. The presentation should consist of 5 slides maximum and it should not exceed 5 minutes for the duration.

For this exercise students should create a virtual portfolio for an initial investment of \$10,000. The instructor recommends the students to use websites such as Bloomberg or Yahoo finance. Each week a screenshot of the virtual portfolio and the PowerPoint should be uploaded in the e-course.

Exams:

There will be one midterm and one final exam. Each exam will include multiple choices questions, open questions and exercises.

Any quiz will be organized before or after the scheduled day without special permission/official order of the BA Chair. All students should be in classroom accurately in time scheduled to participate in any exam. No any student can be overdue, and nobody will be able to enter to the classroom after Instructor, especially when the examination will be started.

Each student is expected to come with a scientific calculator at each exam/quiz. If you forget it, your grade for the final exam will be F. **Nothing is allowed during midterm and final exam but scientific calculator. Students should pay attention to their final grade all along the semester.** No additional work will be given.

Communication between students and instructor will be mainly made through emails. Make sure the instructor has the correct email addresses. If you do not receive emails, please inform the instructor as soon as possible. It is not the responsibility of the instructor if you do not receive emails.

Additional work: The responsibility to organize any special additional work is given to the BA Chair under mutual agreement with Instructor. If students did not enter to quiz exam because of valid reason will be able to pass through such kind of make-up. The subjects of new exam will be different compared to basic quiz options. **No any other additional work to improve the basic exam's grade will be available.** **The instructor reserves the right to modify any and all portions of this syllabus at any time during the period of the course.**

Adobe connect:

During the semester, the platform "Adobe Connect" will be used to provide all the material for this course. Please make sure you are well registered in the virtual classroom. If you have difficulties or questions, please contact the instructor for more information.

The lectures and seminars will be conducted on the following URL: <https://connect.auca.kg/ipmspring2015>

IV. Objectives Statement

After completing this required business academic course, the students should be capable to identify the basic financial markets, recognize the features of core financial institutions, and apply the basic methods of financial return and risk management.

Basic set of five major objectives why students will profit from studying the «Introduction to Finance» academic course includes the following:

- 1) To comprehend the nature, structure and functions of Finance, Financial Markets and Financial Institutions on both domestic and international levels,
- 2) To understand the basic characteristics and valuations of Bonds and Stocks in context of Investment Management,
- 3) To studying the basic methods and models of Financial Management of Business Organization,
- 4) To comprehend the specific aspects and features of Financial Analysis as a precondition of excellent business performance in a competitive marketplace in comparison with Economic Analysis, and

5) To develop the practical skills of students in Financial Problems' resolution due to Experiential Financial Exercises solving.

V. Assessment Plan

The final grade will be determined as follows:

Grade Components	Percentage
Midterm	30
Presentations of portfolios and participation during lectures and seminars	35
Portfolio Management	5
Final Exam	30
Total	100

VI. Grading information

The grade scale is unified for Business Administration Academic Program as follows:

A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
100-93	92-90	89-87	86-83	82-80	79-77	76-73	72-70	69-67	66-63	62-60	59 –b/w

VII. General Remarks

Regarding attendance in case if any student will miss 3 (three) or more academic classes (i.e., 6 academic hours) without medical or valid reason, such student will see his/her grade downgraded by one letter (for instance if the student deserves A-, he/she will receive B-). Only medical evidence by Medical Service at the AUCA is valid for consideration by instructor.

Students should come to the instructor at the end of each lecture/seminar to make sure their name has been checked as present in the classroom.

Written group assignment must be typed in English and submitted to instructor via e-mail before required presentation in class.

Task order and terms of presentation will be pre-determined by Instructor between two sessions of group presentations.

Academic Dishonesty:

The American University of Central Asia is responsible to support and implement the policy against an academic dishonesty in accordance with the Int'l High Education Standards. Irrespective of motives, the chairs of academic programs provide a policy of intolerance to all cases of academic dishonesty and falling of the intellectual customs.

List of examples concern the academic dishonesty includes a fraud at examinations in the form of crabs using, the writing off the information at other students on group, a plagiarism at individual and/or group term assignments preparation, the active use of fraudulent situations at the appeal and evaluation of an attendance level of academic course, and also the using of false information at evaluation of quality of teaching and contents of educational materials distributed.

The Instructor has a right to report on the facts of disturbance of principles of academic honesty on the part of the students to administration of appropriate structural department.

VIII. Lecture Topics

Week	Basic subjects of academic course
1	Add/Drop Week Syllabus Review. Course Overview.
2	Lecture 1. Financial planning and forecasting
3	Lecture 2. Cost of capital
4	Lecture 3. Cash flow estimation and company valuation
5	Lecture 4. Stock and bond valuation
6	Lecture 5. Currency Risk, Currency Derivatives and the Management Function
7	Lecture 6. Currency Risk Management: Issues and Strategies (Midterm)
8	Lecture 7. Currency Derivatives 1
9	Lecture 8. Currency Derivatives 2
10	Lecture 9. Strategies with Currency Derivatives
11	Lecture 10. International Portfolio Management (2)
12	Lecture 11. Real Estate Market (3)
13	Lecture 12. Real Estate Investment Trusts (REITs) (3)
14	Lecture 13. Other types of investments (Pension Funds, Art, Cinema)
15	Lecture 14. Private Banking Services

IX. Bibliography

1. John J. Stephens. *Managing Currency Risk using financial derivatives*. John Wiley & Sons, Ltd.
2. Cheol S. Eun, Bruce G. Resnick. *International Financial Management*. 6th Edition.
3. David M. Geltner, Norman G. Miller. *Commercial Real Estate Analysis & Investments*. 2nd Edition.